THE FINANCIAL POST

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The Nation's Business

A Heartening View Of Postwar World

The Nazis are fighting to win a war; we are fighting to win the peace.

It would seem that victory for the United Nations is still a long way off, which is all the better for postwar planning. For the only hope we have for making a peace that will last; for not bungling and setting the fuel for another world conflagration, depends on our success in deciding well in advance and in clear cut terms the kind of world we want to have after the war and in determining the wise course for bringing it about.

On page 9 of this issue, The Financial Post publishes a significant contribution to postwar planning. It is written by two General Electric Co. executives who are members of General Electric's special Postwar Planning Committee.

Full employment—full use of every available worker, all skills, all materials—is the basic aim to which the General Electric plan is directed.

General Electric planners make no laments about high taxation or government controls. But they do show very specifically the basic requirements for a recreated world in which men's best potentialities will be invoked; in which the greatest good for the greatest number will be fostered.

Their studies show that for every dollar that federal, state and municipal governments spend on public works in trying to keep up employment, private individuals or corporations together should spend nearly $5. This means that conditions hospitable to saving, to the formation of capital, to the taking of business risks are a prerequisite for success in making a world where everybody has a job.

* * *

Another significant point is that General Electric welcomes the war-born increase in its plant capacity and equipment. Its attitude is the opposite to those who are now worrying about write-offs of new plant capacity, who are afraid of silent factories in the postwar era. General Electric points out this fact:

"In 1940 the United States not only lacked the volume of expenditure on producers' goods needed to achieve full employment, but also lacked the physical plant capacity required for full employment because the country had neglected the extension of its plant facilities during the 1930's."

In other words, General Electric says wartime plant expansion is a blessing and a necessity if we are to achieve the aim of full employment. Also essential to that end is that firms plan **now** how they can utilize new materials, new processes and new products created during the war.

The General Electric picture of the way ahead is heartening. It is a challenge to all business to take similar thought for the future; to make its individual contribution to rebuilding a world of peace and progress. Particularly important, the General Electric planners herewith set forth a pattern which shows other firms a method for preparing for the way ahead.

One vital consideration of the postwar world is omitted in this study. It is beyond the scope of economics; unmanageable for mathematics. That is spiritual values. A higher standard of living for all does not in itself mean happier citizens, that their character will be better, that they will have more devotion to the golden rule. But full employment and the new partnership of management, labor, capital and government as envisaged by General Electric, will most assuredly contribute thereto.

* * *

PORT HOPERS DIDN'T FOLLOW THROUGH

The Port Hope conference of the Conservatives wrote a new bill of rights for organized labor. But it failed to write into that bill of rights anything about the public responsibility of organized labor; nor, in this respect, did it produce a bill of rights for society as a whole.

The Port Hope Conservatives have not followed through. Their policy statement on labor relations urges, among other things, the desirability of collective bargaining; adequate government machinery for conciliation of disputes; a National Labor Relations Board with judicial functions and "guarantees" for "effective collective bargaining." They provide penalties for employers who would interfere or restrain an employee from taking part in trade union activities, who discriminate in hiring or firing against union members, who make any financial contribution to any labor organization, or who refuse to bargain collectively with a collective bargaining agency.

This bill of rights is set forth, and, through the proposed Canadian N.L.R.B., is to have built up around it a body of jurisprudence.

Rights and privileges, however, entail responsibility. And there is nothing in the Port Hope manifesto about the responsibilities of organized labor; nothing which enunciates a new bill of rights for the 80% of Canadian labor which is not organized; nothing about all the other workers—management, entrepreneurs, professional men, etc.—who also have a vital place in Canada's machinery; nothing about the farmers and other consumers.

It may be fundamentally democratic that when the majority of workers at a plant vote to accept a certain union as their bargaining agency, the majority will should prevail.

* * *

But unions themselves must be democratic, toward their own members, toward employers, and toward society as a whole. William Hard, veteran U. S. writer on labor problems, recently pointed out in Readers' Digest that: "Today the right to join a union may be much more important than the right not to join one."

There are unions whose membership is wide open, provided the prospective worker has $150 or more to put up for membership. Some U. S. locals of the Hod Carriers have initiation fees up to $250. Union fees that exclude the common man are not democratic; they are tyrannous. Mr. Hard cites other such cases where union organizers have expelled members—therefore preventing them from earning a living at their trade—for the tyrannical reason that the member was critical of the union's leadership, or had attempted to expose mismanagement or misappropriation of funds.

A Canadian worker, whether at a desk, a lathe, or a typewriter, is first of all a Canadian, vested with the elemental and fundamental rights of Canadianism. That is basic and takes precedence over all other rights.

If Canadian organized labor is to be provided with a new bill of rights, its members, and potential members, and the rest of Canadian society should at the same time be protected against the irresponsible, selfish or malicious leader who would misuse his power. A labor leader has no more right to be antisocial than a business man or politician has. For the aim of the Port Hope Conservatives in drafting a new bill of rights for organized labor was toward a better democracy for more people.

If the Port Hope Conservatives agree with that statement of postwar aims, and most of them will, their manifesto needs some revision. They must provide that all players play the same rules.

If unions are to be guaranteed certain rights by law, then they automatically become quasi-public bodies. New rules will have to be written to guide their conduct; rules regarding publicity for their affairs, more open election of their officers, audit of their books—rules similar to those the Companies' Acts impose on business and other public and quasi-public organizations.

The Port Hope Conservatives must provide that all players play the same rules.

War Goods Moved Soon By Truck

Deal for Movement Between Detroit and Buffalo Across Ontario Within 30 Days

Arrangements to facilitate trucking of war materials in bond across southwestern Ontario are practically completed, The Financial Post is told. Trucks should start moving in not more than 30 days and perhaps in considerably less time than that.

Approval has been secured from the Dominion Government, Ontario and the Interstate Commerce Commission in the United States. All that remains to complete is getting final approval of tariffs from the ICC, a process which takes either seven or 30 days and which is not expected to encounter unusual difficulties.

Direct-Winters Transport, Toronto, has been granted privileges between Detroit and Buffalo or Niagara Falls. Certain American companies which have been trucking war materials between these two points around the southern side of Lake Erie are also to be given similar privileges.

It is also probable that other companies will operate between Port Huron and Buffalo or Niagara Falls, if and when freight is available.

No estimate is yet available as to number of trucks that may be required.

So far as Direct-Winters is concerned, American trucking companies will deliver freight in semi-trailers to the customs at the appropriate U. S. border point. From that moment these semi-trailers will be

(Continued on page 2, col. 7)

It's Your MONEY

......that provides an appropriation of $81,495 for immigration medical inspection, although immigration into Canada is now practically at a standstill. The amount is the same provided as last year when the trickle of immigrants was larger. When queried on this expenditure the responsible minister admitted that immigration was practically dried up due to the war but intimated heavier ocean shipping had increased routine.

Holds the Key to Canada's Larder

On the broad shoulders of James Gordon Taggart, Food Controller and Minister of Agriculture for Saskatchewan, falls the delicate task of making sure Canadians get enough to eat without interfering with a vital flow of food to Great Britain.

To him goes the major credit for increasing our bacon export to Britain by almost ten times since the war began and for substantially bolstering our shipments of cheese, eggs, salmon and other energy-producing foods. At the same time, on his doorstep falls the bulk of complaints for current shortages of beef and pork now plaguing Canadian housewives. Big, serious and friendly, Gordon Taggart was reared in Nova Scotia, finished his education at the Ontario Agricultural College in 1912, and until he took his present job at Ottawa had been prominently connected with professional agricultural work in Alberta and Saskatchewan. He was elected to the Saskatchewan legislature in 1934.

Airmen Debate New Proposal

"Canadianization" Has Mingled Reception Overseas

By H. NAPIER MOORE
Editor, Maclean's Magazine
(By Cable)

LONDON.—The so-called Canadianization of Canada's Air Force here is the subject of much lively debate around air headquarters, by air ground crews on operational stations and privately among the British command and air ministry.

First it should be made clear that there is no intention under the plan of breaking up the existing mixed crews or of instituting separate operational control. Misconception on these points caused much of the argument.

From the viewpoint of the Canadian command the scheme's main advantages are:

1. It offers a better opportunity to look after the welfare, health, etc., of the Canadians than if they are dispersed. In the inevitable cases of homesickness it is thought better to have the men among, and officered by, their own countrymen.

2. The Canadians operate under the deferred pay system which is different to the R. A. F. and better understood by Canadian paymasters.

3. Promotions can be more equitably handled.

Among the personnel with R. A. F. stations I have listened to differences of opinion on this matter. One Canadian squadron commander feels his crews gained immeasurably by spending their leaves at the homes of their English, Welsh and Scottish fellow crew members. Another wing commander with a fine record at Malta was fearful that under the scheme the Canadians would not get the opportunity to go, say, to the Near East. His case is that the R. A. F. knows where the men are most needed, and that in time replacements based on the R. C. A. F. alone may result in the crews being made up of inexperienced personnel.

No Split in Command

Proponents of the plan say these fears are groundless as operations would continue to be by combined agreement and there is a sufficient supply of experienced Canadian crews to properly train newcomers. Other pilots who have shared raids or fighter combat with R. A. F. crews have a strong attachment for them and resent any possibility of change. The Command insists that such crews will remain intact and that replacement with Canadians will be gradual as the need arises. Then, of course, there are those Canadians who from shyness or strangeness find it difficult to mix on stations with equally shy English lads, and who would prefer to be in a mess which talks home talk.

I have talked to a number of R. A. F. and Air Ministry officials. The British official point of view is "We are grateful for what Canada has done with the Commonwealth Air Training Plan. If Canada wants to operate her own squadrons that is all right with us. After all, the United States air force operates in the same manner."

The view expressed privately is that they had hoped for a continuance of mixing the crews in order to cultivate the feeling of Empire unity. Our army command which has had some difficulty getting all it wants in the way of co-operational squadrons thinks the scheme may expedite matters. The set-up outlined by Hon. C. G. Power with one bomber squadron, three fighter squadrons and one army co-operation squadron is now actually in process.

Clear Advertising Rules

Tax Attitude Clarified by Conferences

Since the last budget, many Canadian advertisers have been confused as to what might be allowed by the Income Tax Department as reasonable and "normal" advertising. To clarify the situation a series of conferences have been held with C. Fraser Elliott, Commissioner of Income Tax, out of which has emerged the definite income tax status of advertising.

The following presents the significant information in a memorandum by the Commissioner of Income Tax:

Tax officials point out that they recognize the important and legitimate part that advertising plays in business, and it is not intended that reasonable and normal advertising should be restricted. However, by reason of the excess profits tax provisions now in existence, some advertisers might be encouraged to enter upon abnormal and unreasonable advertising expenditures realizing that such expenditures, if permitted as a deduction from taxable income, would in effect be made from funds which otherwise would be almost wholly payable to the government as tax. Any such abnormal and unreasonable expenditures will be disallowed.

Higher Unit Costs

The term "advertising expenditures" is meant to include all recognized forms of general public advertising.

The limitations imposed on advertising expenditures are primarily intended to limit an unreasonable increase in the amount of advertising. There will be cases where the amount of advertising has not increased but the unit costs have. Recognition may be given to such increased cost.

Advertising expenditure is recognized as a variable and inseparable component of distribution cost. It is to be considered as properly subject to change when other components of the normal overall distribution cost show compensating fluc-

(Continued on page 5)

How Canada's Forces Rate

Maclean's Editor Reports on Canada's Overseas Strength

With other representatives of the business, magazine, farm paper, trade and technical newspapers, daily newspapers and press associations of Canada, H. Napier Moore is now in England surveying at first hand the weapons, training and efficiency of Canada's overseas forces. Here he reports by cable on the results of a 1,500-mile inspection of Canadian ground and air centres in Britain.

By H. NAPIER MOORE
Editor, Maclean's Magazine
(By Cable)

LONDON.—An intensive tour of Canadian land and air forces in Britain, covering 1,500 zig-zag miles has given Canadian editors an unprecedented view of the operational end of the Dominion's war effort overseas.

We have witnessed not only every phase of active training, but large-scale brigade battle exercises involving artillery, tanks, carriers, all styles of mechanized equipment and large bodies of infantry, all operating with live ammunition.

We have seen commandos undergoing the most grueling training; watched them land from the sea, scale seemingly impossible cliffs with full equipment.

We have been with the R.C.A.F. army co-operation division, the night bombers, the night and day fighters, and the coastal command squadrons. We have seen them take off on actual operations, talked with them on return from raids over Germany, talked with fighter combat pilots just back from attacking enemy shipping.

We have been shown Britain's newest types of aircraft and devices still kept secret. We have seen the product of Canadian inventiveness in other fields which cannot be discussed.

How, then, are we doing? How successful are our training methods? How do our weapons compare with the enemy's? What did we learn from the Army's first real test at Dieppe?

So far as physical and mental training is concerned, Dieppe supplies an unqualified answer. No soldiers anywhere underwent a more severe test than Canadians underwent there. The manner in which they stood up to it is an indication of the physical toughness attained in advance training here. Men in the field here are fit and as hard as nails.

Regarding the quality of weapons, neither Britishers nor Canadians minimize the excellence of enemy weapons or think theirs cannot be improved. McNaughton told us that Canadian weapons and equipment are among the world's finest, but that is not enough. Nothing is static in war. "We want more range, more compact and more powerful explosives," he said.

Since then we have talked to numerous ranks participating at Dieppe.

Learn From Dieppe

They were plentifully supplied with arms and ammunition, but thought that their mortars were outranged by German mortars. They praised the efficiency of the Bren gun, and are satisfied with their rifles. On certain other arms, opinions differed according to circumstances, but all experiences have been correlated, considered and revisions and redispositions are being made.

The artillery seen in exercise ac-

(Continued on page 5)

Job Control at Work Shows Varying Effects

Bulk of Business Affected Adopts Wait-and-see Attitude; Say Calibre of Current Job Hunters Sometimes Less Satisfactory

Job control is now in its third week of operation. National Selective Service offices are still working out from under the deluge of applications that hit them on the order's announcement. To some businesses the order has meant an apparent worsening of an already tight labor situation; to others it has not yet meant much difference. Noteworthy in comments to The Financial Post is the patience of Canadian businessmen who feel that the plan has not yet had sufficient time to show itself. Also noteworthy is the recurrent comment that the labor available since the order does not seem to be of as satisfactory a type as before. Here is their report on how this latest move of N.S.S. has worked out to date:

SELECTIVE SERVICE OFFICE: "Due to the initial rush, numbers of open permits allowing workers to go to virtually any industry were issued. However, things are straightening out now and we are able to do an increasingly improving job in matching up the qualifications of a worker applicant with the specifications employers have filed with us. When that matching up is satisfactory, the applicant is sent out to the employer for interview.

"One of the biggest troubles so far has been caused by workers quitting purely on speculation. Some of them seem to figure that under the new system they will have no trouble in landing a highly-paid job; actually some of them are hard to fit into new positions. At the other end of the scale, some employers are demanding types of labor that, in many cases, is not now available. Such employers will have to learn to be less fussy about their help.

"We have lists of workers for almost any type of occupation; we are trying to send them to where they are most needed and where they will best fit."

RESTAURANT CHAIN: "The order has had a definitely serious effect on our labor situation; so serious that we may have to close a shop or two for lack of help. We can only advertise over our own name for part-time workers, but we need full-time workers. All full-time applications have to go through the Selective Service Office which is persuading workers to go to war plants. To those who don't want war work there is no guidance given. As we can't advertise for them, they don't know where to come for a job."

TEXTILE PRODUCER: "We have done very little advertising for help in the past. Recently we have had to apply to the Selective Service. They have sent us youngsters of 15 or 16, which in most cases have proven that they cannot be of much use to us. We feel the service has helped to stabilize the movement of labor. One of our mill managers reports a sharp reduction in the turnover during the last ten days. Another mill manager says help is harder to get along with because of the seven days' notice. If we could steady down our help and keep them on the job, our labor troubles would be over."

DAILY NEWSPAPER: "Volume of our want ads has been cut around 25 to 30%. There is too much red tape in the present setup in advertising for workers. An employer has to take his advertisement to the Selective Service Office, get it approved, then take a signed copy of the approved ad. to the paper. The workers his advertisement draws have to go through the Selective Service Office which then files their applications and may fill other jobs from them. This means that one employer is buying advertising to get workers for other employers."

ELECTRICAL GOODS MANUFACTURER: "So far as the more skilled type of worker is concerned we have not had any help yet from N.S.S., but then we couldn't get this type of worker ourselves before job control went into effect. Ordinary types of labor are continuing to show up in good volume but we have noticed that with male help particularly, the class available is not nearly so satisfactory as before."

AIRPLANE INSTRUMENT MAKER: "There has not been much difference so far but the system has not had a fair trial yet. We feel that when it gets properly going it will prove better than the previous hit-and-miss system. Labor coming in looking for work since the job control order is generally of a less satisfactory type than before. Many seem to think that all they need is a permit to guarantee them a well-paid job."

GUN MAKER: "Since the order there has not been so much of the more skilled types of labor shopping around as formerly. As a result we are not getting so many of these workers as before the restrictions. For less skilled workers the present situation is working out satisfactorily."

DEPARTMENT STORE: "Some types of help are about as hard to get as diamonds. Boys from 16 to 20 just don't seem to be around. Generally, people with permits are coming in fairly freely although in not quite as great a number as before the restriction order. Things have not been so bad as we expected from the order but we feel that its effects have not even begun to be felt yet."

VARIETY STORE: "Applicants with permits are coming in in good numbers but the order has shaken up the types somewhat, so that less satisfactory types are available now. The present is an in-between period during which the old system is being cleaned up and the new started. When the fall season is under way we will be able to tell better the effect of job control; so far they haven't put teeth into it."

RAILWAY: "The new regulations have not caused us any worries. As soon as the N.S.S. officers get into the swing of their work, any little difficulties or delays that may now exist will be smoothed over. Our problem is the lack of manpower to enable us to maintain essential service. A large number of our men have enlisted and it has not been easy to replace them."

CONSTRUCTION COMPANY: "We don't get many men through advertising. The better class of men we seek and employ are of the type that move from one construction job to another. When these men approach us and they have no permit, our employment manager puts them in touch with the National Selective Service, telling them just what they have to do to get a permit. We get very good cooperation from the Service. Of course, if they have a permit, then we take them on."

New Series on Taxation Begins in Post, Sept. 26

Commencing next week, Sept. 26, The Financial Post will publish a series of articles on income tax, written by Molyneux L. Gordon, K.C., of Toronto.

The author, widely known through his authoritative books on taxation, will discuss tax problems, especially as they apply to business firms.

These articles will show what is taxable and what is not, what items of revenue are exempt, how real estate receipts should be treated, and will answer various other questions being asked by businessmen about this vitally important problem.

MEN'S SHOP

FINE APPAREL FOR MEN

Businesslike TOPCOATS for Busy Executives

Keeping on the job and keeping up appearances are two of the outstanding qualifications of topcoats from The Men's Shop. We have recently received a new shipment of English models that are famous the world over for their distinctive cut, fine tailoring, and hard-wearing fabrics. You'll find Men's Shop Topcoats have the ability to tackle plenty of work and action on the home front—and still retain their smart appearance. See our selection of new styles—raglans and slip-on models in bold and tweed effects, as well as more conservative tones.

English Topcoats . . . . $40.00 to $85.00

Canadian Topcoats . . . . $37.50 to $55.00

Free Parking While Shopping

The Men's Shop

CIVIL AND MILITARY OUTFITTERS

at EATON'S - COLLEGE STREET

See Trade Deal With Mexico

Trade Minister's Plane Trip May Boost Growing Trade

By KENNETH R. WILSON

OTTAWA.—Prospects for a new trade and diplomatic deal between Canada and Mexico rose buoyantly last week as a result of the whirlwind visit of Hon. James A. MacKinnon, Canada's energetic Minister of Trade and Commerce to Mexico City.

It started as a commercial venture to publicize and celebrate the inaugural flight of American Airlines, Inc., linking Canada, United States and Mexico. Mr. MacKinnon was invited to represent Canada. Eager to see Mexico for the first time, he accepted and took off from New York with a group of high-ranking officials, diplomats and American executives.

Hon. J. A. MacKinnon

Business in Transit

By the time the 5,000-mile journey had been completed, Minister MacKinnon had done some important business for Canada and had forged a new link in Canada-Mexico relations. He had a stimulating chat with President Avila Camacho and made important strides toward a new commercial treaty between the two countries. He was also to bring to Mexico an assurance that as soon as possible Canada would be glad to move toward an exchange of ministers between the two countries.

In Mexico, Mr. MacKinnon found the beginnings of a far-reaching development of trade and industry stimulated partly by war needs in the United States and elsewhere and partly by the progressive attitude of the government in its policy of self-help and self-development. He found Mexico extremely anxious to establish better relations with Canada and anxious to overcome misunderstandings and difficulties which have cropped up in recent years. In respect of trade, what is envisaged is an eventual understanding which would put the two countries on a most-favored-nation basis.

Last year, Canada-Mexico trade rose to approximately $6 millions or double the total in 1938. Of the total, Canada's purchases (60% fresh tomatoes) amount to about $2 millions and our sales (44% calcium chloride) exceed $4 millions. Canada has also been shipping a considerable quantity of manufactured goods, electrical equipment etc. which can no longer be exchanged with the pressure of war priorities.

Chromium M. & S. Outlook Broader

In order to reap full advantages of its inventions, Chromium Mining & Smelting after the war will have to expand and spread its endeavors to foreign fields, shareholders were informed at the company's annual meeting.

As a result of operations to date, it has been demonstrated the company's products can be produced at a cost that should permit the securing of a reasonable share of the world's ferro-alloy market in normal times, shareholders learned. "Chrom-x"—produced for introducing chromium into iron and steel—has now a demand which the company reports itself unable to fill while officials understand that ferrochrome, "Chrom-x" alternative, is being produced in excess of demand.

HOLD HIGH THE TORCH OF FREEDOM

Manufacturers Of War Material BORROW TO SPEED PRODUCTION

Manufacturers, who need funds to increase their speed in fulfilling Government contracts, are invited to discuss their requirements with the manager of our nearest branch office.

Borrowing to pay wages or to buy raw materials for making war supplies of great variety is an everyday transaction at the Bank of Montreal.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service... the Outcome of 124 Years' Successful Operation

Unemployment Commission Now Divided in Three

By STAFF WRITER

OTTAWA.—Comparable in many ways to the epic division of Gaul into three parts, is the disposition which has been made in recent days of Canada's Unemployment Insurance Commission.

By an order-in-council (P.C. 7994) dated Sept. 4, 1942, the entire "control and supervision of the officers, clerks and employees" of the Commission have been placed at the disposal of the Minister of Labor for the duration of the war.

The order also makes formal disposition of the services of the three commissioners by giving them certain functions to perform under the new dispensation.

Not Dissolved

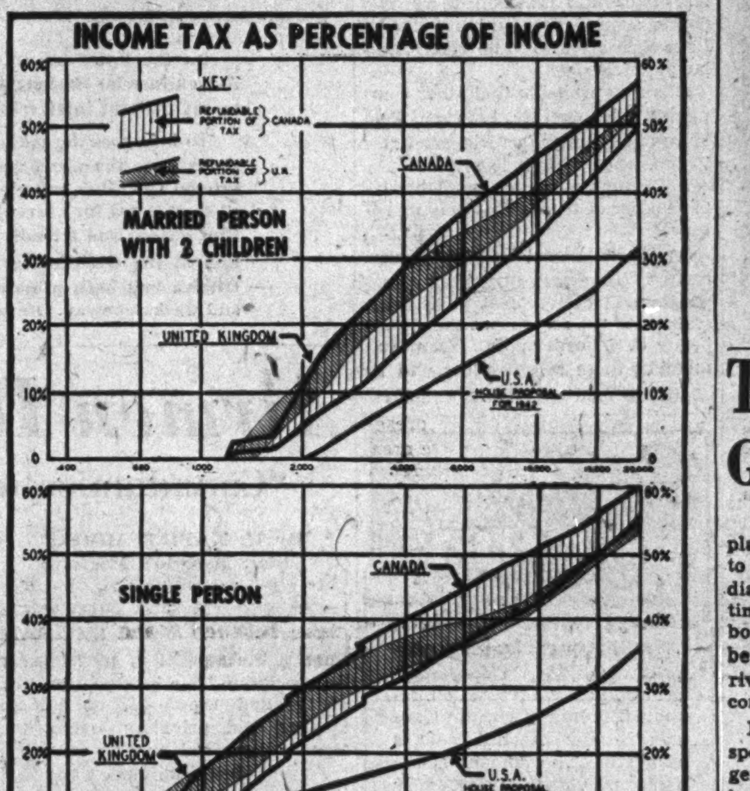
The order does not dissolve the Commission or its organization and officers, but prescribes (a) that the chairman be kept informed by the Minister of Labor on all matters pertaining to the Act and shall make representations to prevent any infringement of the Act; (b) that one of the commissioners may "with his consent" be appointed head of the branch of the Department of Labor known as the Employment Service and Unemployment Insurance Branch and be known as the Director of Employment Service and Unemployment Insurance; (c) that "one of the commissioners may with his consent" be assigned the duty of reviewing decisions of courts of referees established under the Unemployment Insurance Act "with the object of bringing about uniformity of decisions" and may also be appointed as acting chairman of the Commission.

According to a brief announcement, R. J. Tallon is the commissioner who will act as Co-ordinator of Courts and Referees; A. M. Mitchell will be in charge of employment service offices. Louis Trottier, chairman will continue responsible for fulfillment of obligations under the U.I.C. Act.

Behind this unprecedented transfer and disposition of an organization which has now some $75 millions of insurance funds in trust, lies the fact that ever since National Selective Service came into the manpower picture last March, there has been friction in regard to the disposition and handling of local employment offices in relation to N.S.S.

These offices were a hangover from the old provincial employment services. In many cases they had a strong political background and attachment. Furthermore, the salaries paid to local supervisors and the amount of staff required, proved inadequate to meet the needs of National Selective Service. When N.S.S. was first established last March, the local employment managers of the U.I.C. were named pro-tem as local N.S.S. representatives. Since that time the number of offices has been greatly extended and a considerable weeding out of original personnel has taken place.

With the stepping up in responsibility and scope of N.S.S., the issue had to be faced as to whether these offices were to remain under U.I.C. administration or come directly under the N.S.S. To solve that problem without dissolving the Unemployment Insurance Commission is the Gordian knot which Ottawa has now attempted to cut.



In the above chart, prepared by the Bank of Canada, the answer is given to the question of whose taxes are higher, Britain's or Canada's. Except in the lowest income brackets, the total Canadian levy is higher. But in almost every case the refundable portion of the tax is greater in Canada.

Canada: Taxpayer is entitled to current return of refundable portion in respect of payments made in certain specified types of contractual savings commitments.
United Kingdom: Taxpayer is not entitled to return of any part of refundable portion until after the war.
United States: Includes state income tax (New York). Federal rates are those proposed by the House Ways and Means Committee and passed by the House of Representatives on July 20, 1942.

May Stagger Newsprint Operation

More Efficient Production and Power Economy Would Result

From Our Own Correspondent

MONTREAL.—Aside from Ontario Paper Co., at Thorold, Ont., there has been no further curtailment of power deliveries to Canadian newsprint mills.

This is not to be taken as implying the industry will not be asked to make further power concessions.

Various plans are under consideration by Newsprint Administrator R. L. Weldon and H. J. Symington, Power Controller.

Several developments are possible, but the one which is most likely to be adopted in the near future, if not immediately, is the staggering of operations, where two or more mills are on the same power system.

At present the majority of newsprint mills are operating at just over 60% of capacity with the work strung throughout the week. With more than one mill on the same power system this inevitably results in uneconomic use of power.

This condition can be eliminated through consolidation of operations. Thus in order to maintain operations at the present rate of capacity, a mill may be asked to work the first three days and close down for the balance of the week. A second mill on the same power system would be closed down during the first half of the week and operate full out in the second half.

At this time Administrator Weldon's policy is to proceed slowly in working out plans to divert power from newsprint to the war industries. Such steps as have been taken or in prospect involve a minimum of dislocation to the industry, its workers and the users of newsprint paper. More radical steps may have to be taken later, but that will depend at the time upon the power and manpower supply situation.

St. Lawrence Flour Mills announces R. E. Chadwick, president of the Foundation Co. of Canada Ltd., has been elected a director, filling the vacancy on the board created by the death of Thomas Williamson, lately vice-president and managing director.

Simpson's

It's Fall in The Store for Men

From the Finest Mills in England and Scotland Come the Fabrics for Simpson's

OVERCOATS

A grand line-up of overcoats, tailored from such famous imported fabrics as Gibson and Lumgair Elysian, Kynock Fleece, Simpson-Fairburn Tweed, await you at The Store For Men. You'll enjoy looking over the big selection—see them today!

Simpson's Second Floor

To Truck War Goods in Bond

(Continued from page 1)

placed in bond and will be attached to tractors belonging to the Canadian company for movement to destination. Each semi-trailer is to be bonded to the extent of $20,000, to be forfeited if the trailer fails to arrive at its destination in proper condition.

Routes to be followed are set out specifically in the agreement and generally permit the trucks to follow any main highway on a direct route between the two border points.

The Canadian tractors will carry Ontario licenses and be subject to all appropriate taxes and fees which average about $350 per annum for each semi-trailer.

On the American trucks which are expected to take advantage of this opportunity special taxes and fees are to be charged, designed to place on them a comparable burden. All of this will go to Ontario, the province responsible for building and maintaining the highways.

Traffic is to be restricted to war materials and no particular difficulty is anticipated in determining what is war material and what is not. A recent survey made by Direct-Winters showed that about 70% of all freight hauled on its equipment at present moves from one plant producing war materials to another.

The Post is told that no difficulty is expected in securing full loads in both directions. Detroit and Buffalo are said to be producing materials complementary to one another to a remarkable extent. This means that factories in Buffalo have to get an important proportion of their parts and materials from Detroit and vice versa. Wartime restrictions on trucking require that full loads must be carried.

Those active in making the new arrangement emphasize the economic saving that will be possible. The route through Ontario between Detroit and Buffalo is 104 miles shorter each way. This means less wear on trucks and equipment, less gasoline and oil and more freight moved with the same amount of equipment.

Eastern Car Co. has called $52,000 of its 6% first mortgage bonds on account of the sinking fund. Payment will be made on Jan. 1, 1943, at 105 and accrued interest.

Rare Opportunity

I own a valuable Molybdenite property in Eastern Ontario with large proven ore bodies that could be brought into immediate production. Would like to contact Gold or Base Metal mining company, or private capital.

BOX 62,
THE FINANCIAL POST,
TORONTO.

Distillers Corp.-Seagrams Ltd. report that during the past month an additional 930 shares of preferred stock were purchased and cancelled on account of sinking fund, leaving outstanding 163,570 shares.

Patronize FORD HOTELS

for COMFORT and THRIFT!

FORD HOTEL MONTREAL

RATES: Single $1.50 to $2.50 NO HIGHER

FORD HOTEL TORONTO

and in OTTAWA → The LORD ELGIN

RATES Single $2.50 to $3.50 NO HIGHER

Stocking of Food In Storage Lags

Problem of food supply in Canada is highlighted at present by the latest appeal to the Canadian consumer to refrain from using pork at a time when alternative supplies of meat are severely limited.

Important to note is the fact we are unable to add to our cold storage holdings of butter this year at nearly as substantial a rate as we reached last year. Cheese production, stimulated by bonus payments, is at record levels but roughly half of the stock in storage is earmarked for the Dairy Products Board and not available for domestic consumption.

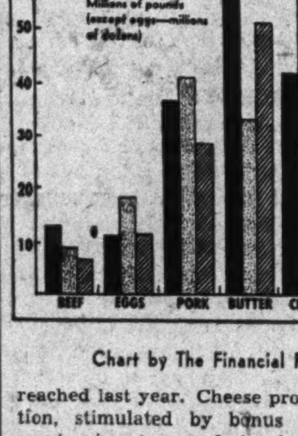


Chart by The Financial Post

Period of flush production in dairy products and eggs is past for this year and it appears doubtful if we have been able to lay aside enough to carry consumption at existing rates during the months of lower production now at hand.

Dominion Stores Ltd., under charges laid by the Wartime Prices and Trade Board, has been fined in the Montreal courts $1,000 and costs for offering goods for sale at prices higher than the ceiling. The judgment will be taken to appeal by the company.

The War and Business . . .

Maintain War Flow

Information from sources which should know indicates that Canada is now reaching practically the end of her war expansion programme. Soon it will be a case of keeping current maximum flow going and this will mean continuous adjustment and reallocation of electric power, manpower and strategic war materials.

This broad statement does not mean, however, that there will not be any expansion here and there. There will be in certain lines but this will probably be offset by curtailment of others. In certain cases of war production, for instance, we have already caught up with current demand and have swung to something else. It is perfectly obvious that in some lines such as medium and heavy artillery shells, recent consumption would not be at anything like the rate necessary if the United Nations were actually invading western Europe. Again, the amount of anti-aircraft shells used in recent months over Great Britain, as another example, would be very much less than during the height of the blitz over Great Britain.

* * *

On the Exchange

A seat on the stock exchange used to be a symbol of considerable affluence, but with low volume markets the value of the privilege has dwindled both in money and prestige. Recently, however, there have been cases where seats on Canadian stock exchanges have been bought by those who figure that the price can't go much lower and might advance a good deal higher. Cost of a Toronto Stock Exchange seat; for instance, currently around $12,000, is close to its record low but compares with the halcyon 1929 $200,000 value. To hold a seat on speculation costs the holder in Toronto $400 a year in regular dues plus any special levies that might come along.

* * *

A Matter of Morale

There has been a lot of fuming and fretting of late in the women's division of the Royal Canadian Air Force and the Royal Canadian Navy. The "trouble" has been due to the ultra-smartness of the C.W.A.C. uniform. The R.C.A.F. (women's division) and the W.R.C.N.S. don't intend to take a back seat. At present a well known fashion designer in Toronto is "working" on the R.C.A.F. uniform, while an equally well known Montreal firm is "doing something" about the W.R.C.N.S. uniform.

* * *

Bad News for Pulp

Canada's new timber regulations are not designed to protect the pulpwood supplies of Pacific Coast mills. Because hemlock exports are being controlled, and because the loss of hemlock through export has been a major source of worry to B.C. pulp and paper firms, the order was interpreted as being in part at least a relief for these mills.

The Post is told the B.C. paper group did not figure in the agreement in Washington, and if the need for lumber is sufficiently acute, "we will probably be taking some logs away from the pulp mills that they are already getting." If this becomes necessary, some of Canada's mills which have not yet been exposed to the shifting of hydro power and manpower may share the experience of the mills in Ontario and Quebec.

* * *

Nazi Weak Link

Weakest link of the Nazi hold on Europe is transport, most observers agree. French, German and Belgian railroads never fully recovered from the first Great War, have been overburdened. Diversion of industrial output almost entirely to armaments has prevented anything like an adequate supply of repairs and replacements.

All this explains the desperate German attempts to run merchant ships up and down the English Channel, where they are exposed to easy air attacks. It is significant that in recent months a substantial portion of the regular British and American bombing of western Europe has been concentrated on railway and dock facilities. Partial paralyzation of these would pave the way to successful invasion.

* * *

Women Machinists

It has been said by some people who should know better that some Canadian women are not taking war jobs for fear of dirtying their hands. Canadian Machinery points out that in war plants one can see turret lathe operators with the cooling fluid running over still neat manicures; threading machines or barrel honers with nail lacquer bravely shining through cascades of cutting oil; and countless instances of sand, scale, cuttings, grindings, dust and paint, being constantly battled by hand lotions.

War Risk Costs Get Special Tax Treatment

To settle the confusion that appeared to surround treatment of war risk insurance premiums under Canadian income tax regulations, The Financial Post asked officials of the income tax department at Ottawa for clarification. The answer given can be summed up as follows, indicating under what conditions premiums on war risk insurance may be treated as expenses of business and deducted from taxable income:

For companies paying excess profits taxes at the maximum rate: If including war risk insurance premiums as an expense would mean reducing profits below 117% of standard profits—thereby removing the company from the maximum pay class—then these premiums will only be allowed to the extent that this item of expense does not bring taxable profits below 117% of standard.

For companies in the minimum excess profit tax class, war risk insurance is allowed as an expense to the full extent of the premium paid.

Canada Cement Co.—Sales for the current year, judging by the government report on production for the industry, are running slightly ahead of the same period in 1941. There are signs of a slowing up in the use of cement and it is possible returns for the full year will not show any appreciable change from those reported last year.

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TOWNSHIP OF SCARBOROUGH

Notice of Intention to Redeem Certain Debentures

To the Holders of Debentures of the Township of Scarborough, dated the 1st day of January, 1940, and maturing in the years 1953 and 1954, both inclusive.

The Corporation of the Township of Scarborough. To the Holders of Debentures numbered:

1122-17	1282-15C	1416-13	1568-13
1122-17A	1282-15D	1417-40	1569-11
1124-17	1282-15E	1417-41	1570-22
1124-17A	1282-15F	1417-42	1570-23
1124-17B	1282-15G	1417-43	1570-24
1124-17C	1282-15H	1417-44	1653-23
1124-17D	1282-15I	1430-16	1653-24
1124-17E	1282-15J	1430-17	1654-56
1137-17	1282-15K	1491-12	1654-57
1171-16	1282-15L	1495-12	1654-58
1175-16	1282-15M	1496-12	1654-59
1179-16	1283-15	1500-39	1654-60
1200-16A	1283-15A	1500-40	1654-61
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1220-16A	1283-15C	1500-42	1654-63
1220-16B	1283-15D	1500-43	1655-82
1220-16C	1332-14	1538-108	1655-83
1220-16D	1333-18	1538-109	1655-84
1220-16E	1333-19	1538-110	1655-85
1220-16F	1334-14	1538-111	1655-86
1222-16	1346-50	1538-112	1655-87
1222-16A	1346-51	1538-113	1655-88
1222-16B	1346-52	1538-114	1655-89
1222-16C	1346-53	1538-115	1655-90
1225-16	1346-54	1538-116	1655-91
1225-16A	1392-13	1538-117	1655-92
1225-16B	1410-11	1538-118	1674-9
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Issued under Plan for the readjustment and reorganization of certain debenture indebtedness of the Corporation of the Township of Scarborough.

Take notice that by-law No. 3129, passed on the 14th day of September, 1942, pursuant to said Plan, the Council of the said Corporation has authorized and directed the redemption of the above numbered debentures on the 15th day of December, 1942. Upon presentation and surrender of each such debenture at the principal office of the Canadian Bank of Commerce, in the City of Toronto, on the 15th day of December, 1942, the person entitled thereto will receive payment of the principal amount thereof, together with accrued interest to that day.

From and after the 15th day of December, 1942, interest on the principal of the debentures so to be redeemed shall cease to accrue.

Any of the aforementioned Debenture holders wishing to obtain payment of their Bonds prior to December 15th, 1942, may do so upon presenting their Bonds to the Main Office of the Canadian Bank of Commerce, where payment will be made for the Bond, plus accrued interest at the rate of 4½% to the date of presentation.

Dated at Toronto, Ontario, this 15th day of September, 1942.

JAMES O. KESSACK,
Treasurer of the Corporation of the Township of Scarborough.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Municipal—							
Three Rivers, P.Q.	Sept.	Guy Bournival	3½ & 4%	19½ yr. serial	$220,000	97.22	.....
Provincial—	Date Issued						
Saskatchewan	Sept.	Dominion Securities Corp., A. E. Ames & Co. and Wood, Gundy & Co. (privately)	4%	1944	$2,638,000	.....	.....
Dominion							
Canada Treasury Bills	Sept.	....	...	Dec. 11, '42	45,000,000	99.853	.5319
Deposit Certificates	Sept.	Chartered Banks	¾%	Mar. 2, '43	45,000,000	100	.....
Deposit Certificates	Sept.	Chartered Banks	¾%	Mar. 16, '43	35,000,000	100	.....

This Week The Financial Post Asks:

Should Liberals and Conservatives Merge?

The Question:

"Would You Say the Identity of Interest Between Dominion Liberal and Conservative Parties is Now Close Enough That These Parties Should Merge?"

Robert P. Allen

Fredericton, N.B.

As one closely associated for nearly half a century with public men, big and little, I am absolutely opposed at the present time to a coalition or merger of the two historic political parties of Canada. I am convinced that such a move would not be in the best interests of the country and would serve no good purpose.

In the event of such a coalition being formed and sustained by the people, it would result in the so-called independent groups becoming the official opposition in parliament, which in my judgment would scarcely be in the public interest.

Sooner or later we will have postwar problems with tremendous responsibility thrust on governing bodies, and it will be an inopportune time for political amateurs or faddists to be trying to function.

• • •

Paul Bilkey

Editor, The Gazette, Montreal.

I have long been convinced that a union of Liberal and Conservative groups is a necessary political development in Canada. It is too much to expect, perhaps to desire, that all members of both parties can be embraced in such a union, but the majority are no longer divided by any great principles and have a common interest in resisting the growing strength of socialistic groups. If the question of leadership can be solved the rest should not be difficult. The existing division is illogical and wasteful.

• • •

Hon. Thane A. Campbell

Premier of Prince Edward Island, Liberal, Charlottetown, P.E.I.

In spite of the present identity of interest between the Dominion Liberal and Conservative parties, I consider that the sustained vigor and wholesome competition of these two established parties is one of the most stabilizing, and at the same time one of the most progressive, influences in Canadian politics. I fear that the breakdown of either of these parties, or even their coalition, would lead to the growth of numerous irresponsible political groups with consequent instability and political chaos.

Leo Currie

Prominent in Halifax business circles.

I have been and still am of the opinion that such a merger would result in putting the best man in the best place and achieve the proper results at this critical time in our nation's need before it is too late. Our Dominion is fully justified in demanding from each and every one of us an all out effort on our part. And for those, if any, who would dare to even think party politics at such a time, let them take heed of that wise quotation: "Then none were for a party but all were for the state."

• • •

Hon. J. W. Estey

Attorney-General in the Saskatchewan (Liberal) government, Regina.

The Liberal and Conservative parties since Confederation have provided leadership in Canadian public life and the opportunity for public discussion of conflicting points of view.

Throughout the critical period of war these two great parties in the main have set aside their political differences and encouraged the people of Canada to unite wholeheartedly in the prosecution of the war. This attitude is commended, and it would be unfortunate that they lose their identity and so impair their respective efficiencies at the conclusion of the war. The people throughout Canada appreciate this attitude and contrast it with the politically active programme of the C.C.F., who seek to take advantage of this period to further their political ends.

In the future as in the past, the Liberal and Conservative parties can be relied upon to act in concert at any time of national crisis, and any merger which would destroy the identity of these parties and take away the political setup that has served democracy in Canada so well for so long a period appears neither necessary nor desirable.

• • •

C. F. Frazer

Managing Editor, Halifax Chronicle, Halifax, N.S.

At this moment of crisis in Canadian history there is a close identity of interest between the three major political parties, Liberal, Conservative and C.C.F. All have the same immediate objective—the winning of the war. At such a time, therefore, without regard to our political past or prejudice to our political future, we should unite our energies in the common struggle.

It is doubtful, however, whether an actual merging of Liberal and Conservative parties would bring victory any nearer. The opposition in Parliament would be greatly weakened at a time when an effective opposition is one of the greatest needs of Canadian democracy. The actions of the remaining opposition parties would no longer be tempered by the long political experience of the Conservatives. The merging of the two major parties at the moment might, therefore, accentuate rather than lessen political cleavages in Canada.

• • •

Hon. A. C. Hardy

Member of Canadian Senate, prominent Liberal, Brockville, Ont.

I am distinctly opposed to coalition governments except in case of a stalemate in the Commons. I cannot see the advantage to the country of a merger of the two old parties especially at present when the Conservatives are greatly divided. Closer confidential relations between leaders of the opposition and government, however, especially in war matters, is desirable and necessary.

I believe and hope the Conservative party can be reorganized to be a great factor under a leader, say like Sydney Smith. I refrain from dealing with purely political eventualities.

• • •

Dr. Philippe Hamel

Quebec City, P.Q.

If a person is suffering from diphtheria should one try to improve her by giving her smallpox? Canada's condition is bad enough under the Liberal politicians to make it wise to keep the Conservatives out of the mess.

Canada's need is statesmanship not small politics. Canada's want is strong characters to free the country from the greedy monopolies which rule both parties in Ottawa. Canada is craving for men noble enough to stand fast by their promises and their word. The union of two discredited groups of politicians can bring our native land no improvement.

• • •

Jean Charles Harvey

Editor, Le Jour and a spokesman for French-Canada.

In practice the merger of the Federal Liberals and Conservatives is possible, seeing that there are no essential differences between one and the other in the social and national point of view. Therefore, the merger would give the entire country the impression of a political league against the C.C.F. and would strengthen the latter.

• • •

Bruce Hutchinson

Newspaperman and author of Victoria; Ottawa correspondent Vancouver Sun, and frequent contributor to Maclean's Magazine, Fortune and other publications.

If the Conservative party accepts the low tariff views adopted by the Conservative rank and file conference at Port Hope and thus abandons the basic policy first sponsored by Sir John A. MacDonald, there will be apparently no long term fundamental issue between it and the Liberal party. If the C.C.F. continues to grow there can be no question that one or the other of the old-line parties must disappear. Either they will merge by agreement or one will swallow up the other at the polls.

The fundamental postwar issue will be statism versus free enterprise. Our party system will reflect it in two major parties whatever their labels.

• • •

Hon. R. L. Maitland

Attorney-General in Liberal and Conservative coalition government of British Columbia and provincial Conservative leader.

I see no reason for a merger of the Liberal and Conservative parties. Both parties have tremendous power for good in Canada. The course followed in Great Britain is an example of the necessities of war and the requirements in Canada at this time. It is better for Canada to have two outstanding parties each attempting to represent all classes of the people. Only the Conservative and Liberal parties fill this role.

• • •

F. F. Payne

Editor, The News, Nelson, B.C.

I favor national government for the duration but do not favor a permanent merger. Only an active and revivified Conservative party could, after the war, offer an alternative to the Liberal administration and leadership to the majority of people of Canada who believe in free enterprise, rather than socialism. A permanent merger would ultimately, in the normal course of political events which means victory by parliamentary opposition, lead to socialistic government, and therefore rule by the minority school of thought.

• • •

B. S. Robb

Editor, The Transcript, Moncton, N.B.

Even if the identity of interest between the Dominion Liberal and Conservative parties were greater than it now is, that would not necessarily be a compelling reason for a merger. In provincial fields the same parties oppose each other in some cases with little difference in policies, but party rivalry is essential in both fields for the maintenance of sound government.

A merger in Dominion politics would leave the opposition too radical and would strengthen their prospects of some day gaining office. There is no reason why the older parties should not furnish progressive leadership to meet changing conditions. A merger would be in the best interest of the Dominion only if hope for useful future for the conservative party is abandoned.

• • •

Chas. H. A. Stager

Warden, Waterloo County, Hespeler, Ont.

Our chief interest today should be the defeat of our enemies and our future economy. We should adopt every practical means to the end that the sacrifices, loss and waste of war may never recur. Complete unbiased discussion in committees and parliament, without the usual party divisions, could produce efficient and satisfactory government. Some of the present members would most certainly favor this plan, no one party can rightfully claim to have all the best brains within its fold.

There are capable, sound men with differences of opinion as to party affiliations. John Public is not interested in the survival of any one party but is patiently hoping that some day Canadians may have a sane, business-like administration free from selfish party interests and petty politics. The urgency of our present plight demands every co-operation and unity.

• • •

Hon. L. A. Taschereau

Former Premier of Quebec, Liberal, Quebec City.

I have no hesitation in saying that I am against the amalgamation of the Federal Liberal and Conservative parties.

It is true that we are in a war and it might be long, and that the amalgamation of the two parties might be favorable to the Canadian union by cutting down on the long sessions like the one recently ended.

My objections are as follows:

1. The Canadian mentality is hostile. Messrs. Borden and Duplessis tried it before; their governments failed.

2. Canada today counts five parties or groupings. If the unity of the Liberals and the Conservatives will end many discussions, the other groups, ignored in the amalgamation, will be against it and will keep on fighting. No practical result will be obtained.

3. Did you take note that this campaign in favor of amalgamation comes from the opposite party? Do they want to divide the power to get their share? And if we think that circumstances should be for unity, is it not possible for the opposition to collaborate generously with the government and not embarrass it in these difficult days.

4. In democracy, I believe in a government and an opposition; one which governs and the other which watches and criticizes.

I think that an opposition is more useful to the country than an amalgamation which supposes compromises and which permits a government to avoid criticism in saying that the two parties wanted it that way.

• • •

O. F. Young

Editor, News-Chronicle, Port Arthur, Ont.

I would say that the identity of interest between the Dominion Liberal and Conservative parties is so close that it makes little difference whether they merge. While regarding the Dominion's war effort as highly creditable on the whole, I believe, however, there should be a form of national or non-party government to eliminate politics, command the respect of the people and remove the implied suggestion that only one party is capable of governing while all are expected to serve.

The War and Your Will

• The connection between the grim, global war and your Will may seem, at first glance, remote. But is it? How about your Executor? If you have named an individual, has the war called him away, made him unavailable to handle your estate in the important period of settlement? You may well wish to consult your own Lawyer or Notary about this. He can explain how a change can be made, naming a continuing, corporate institution like the Crown Trust Company as one of your Executors. We are sure to be available and ready to serve when needed.

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL TORONTO

Penmans

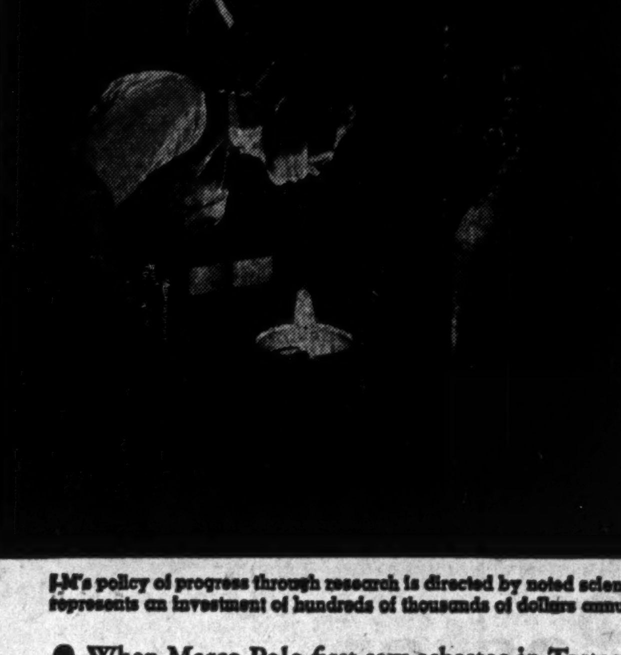
• When you buy Penmans Knitted Products, you get top value.

In Hose, Sportswear or Underwear, you can be sure of the finest materials . . . enjoy the comfort of experienced tailoring . . . the eye-satisfaction of attractive, colourful patterns.

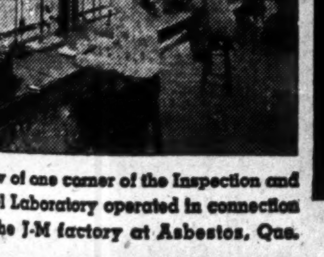
Penmans styles continue to fit smartly, neatly after washing . . . colours remain sharp and clear. When you wear Penmans, you are always assured of value at a price that will meet with your approval.

Johns-Manville RESEARCH

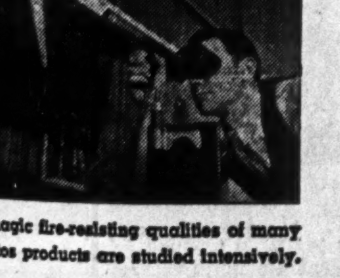
puts Modern Science to Work on Marco Polo's *Magic Mineral*



J-M's policy of progress through research is directed by noted scientists; represents an investment of hundreds of thousands of dollars annually.



A view of one corner of the Inspection and Control Laboratory operated in connection with the J-M factory at Asbestos, Que.



The magic fire-resisting qualities of many asbestos products are studied intensively.

(Left) Testing J-M Asbestos Brake Linings. *(Right)* J-M Roofing gets a "third degree".

• When Marco Polo first saw asbestos in Tartary centuries ago, he called it "the magic mineral". And today, looking at the hundreds of products developed as the result of Johns-Manville asbestos research, you'd agree with the famed Venetian traveller. J-M's Research Laboratories are the largest of their kind anywhere, which is only natural when you remember that J-M operates the largest asbestos mine in the world, at Asbestos, Que. More than 50% of Johns-Manville's output last year were products which have been developed by Johns-Manville Research since 1928.

CANADIAN JOHNS-MANVILLE CO., LIMITED

Mine and Factory at Asbestos, Que.

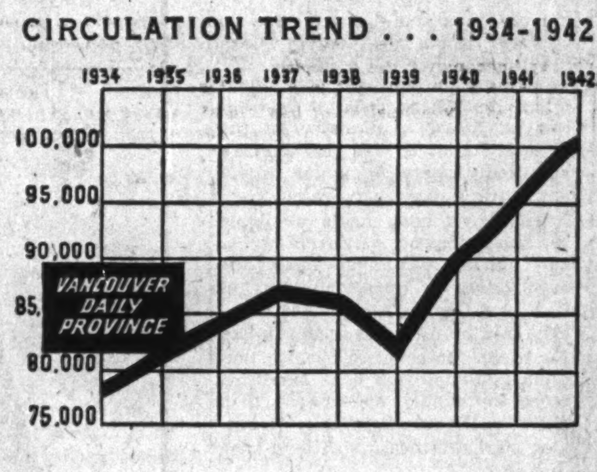
MONTREAL - TORONTO

WINNIPEG - VANCOUVER

BT-4

JOHNS-MANVILLE J-M PRODUCTS

CANADIAN JOHNS-MANVILLE



NOW OVER 100,000 DAILY CIRCULATION

RELYING only on its own journalistic standards, the circulation of the Vancouver Daily Province has risen spontaneously to more than 100,000 daily . . . truly an impressive achievement in a province of 809,000 population.

In the hands of national advertisers, the vast pulling-power of this dominant British Columbia newspaper has become an asset of increasing importance. Alone, it covers 78% of the Greater Vancouver and 49% of the total British Columbia markets.

VANCOUVER DAILY PROVINCE

"The Major Medium in a Major Market!"

A New Financial Post Feature —

The Business Of Farming

By GORDON L. SMITH

In The Financial Post last week Food Controller Taggart pointed out a phase of the western agricultural problem that is often overlooked. It is, said Mr. Taggart, not a question of growing too much grain, but what is done with that grain after it is grown. If all of it is offered for direct sale, as has been the usual custom with wheat, then storage and restricted wartime markets are going to be swamped. On the other hand, there is an almost unlimited market for western grain in the form of livestock, poultry and dairy products.

These other things are wanted by both the domestic market and for export to Great Britain and the United States. When produced on the farm, they automatically eliminate the storage, transport and marketing problem of the grains consumed. Also, they create greater agricultural stability as they spread unemployment and farm revenue over the whole year, whereas grain is harvested and usually sold in the fall months only.

Livestock Limitations

Thousands of western farmers, of course, have already recognized this opportunity and the output of livestock, dairy and poultry products has grown enormously since the war. Especially is this true of bacon hogs.

Unfortunately for the farmer who has been accustomed to growing wheat only, this grain is not as well adapted to livestock feeding as either oats or barley. It is here that the principal problem arises. Large sections of the country are more adapted to wheat than any other grain and because much of this country also lacks water, it would be dangerous if not impossible to expand materially livestock holdings. On the fringes of the wheat belt, however, (and these fringes actually comprise the greater part of agricultural western Canada), diversified farming offers the best answer to the question "what is the future of Prairie agriculture?"

* * *

No General Boom

Generally the war has brought sharply improved demand and higher prices for farm products, but this has not been universal through all lines of production.

Contrary to the experience of the First Great War wheat exports have shown no great stimulation. The reason, of course, is simple. During 1914-19 three quarters of continental Europe was open to shipment from North America, and in addition to feeding the population of Britain, Canadian wheat growers assisted materially in feeding the large populations in France, the Scandinavian countries, and southern Europe. This time most of that vast area is occupied by Hitler and it is his responsibility alone to keep these people fed.

On the other hand there has been a vast gain in bacon exports and a steady expansion in the demand for other meats and also dairy products.

Apples and Tobacco

But the war has hit fruit and tobacco growers in Canada. Had their crops been normal since the beginning of the war, which actually they have not, an acute overproduction problem would have been faced. Normally Canadian farmers depend upon the British market to absorb substantial quantities of fresh apples and cured but not processed tobacco. Today, however, John Bull has decided that he needs shells, planes, guns, and other munitions more than he needs tobacco and bulky fresh apples and so shipping priorities have gone to the former products.

* * *

Why No Cattle Embargo

Many townsmen cannot understand why the government did not slap an export embargo on beef cattle the instant an adequate domestic supply of beef was threatened. The Canadian farmers are exporting cattle to the United States at the rate of approximately 200,000 head a year and if we have these extra animals going through our own packing houses then housewives would not be facing empty meat counters today.

But trade and farm experts say the matter is not just as simple as that. Normally Canada needs a substantial export cattle market in the United States, if the industry is to remain healthy. If it does not remain healthy, of course, then even sufficient production for domestic needs is in jeopardy. For years farmers had such an export market in the United States then lost it through the fantastic tariff structure Washington erected after the last war.

After tedious and delicate negotiating, part of that market was gained under Cordel Hull's liberal tariff programme. Washington rather reluctantly consented to permitting the 200,000 heads of cattle quota mentioned earlier and squared the deal with the American farmers by pointing out that this import from Canada only balanced an agricultural trade in citrus fruits the other way.

But the American farmer, especially in the great midwestern feeder states, regards this import of Canadian cattle as little short of a menace. He would probably be delighted to see this trade stopped, and if the Canadian Government itself did the job, he would have the strongest sort of argument for keeping it stopped after the war when Dominion beef raisers will again need every possible export for their product.

* * *

Can Control Output

The official crop estimate for 1942 issued last week graphically illustrates the difference in production problems facing the agriculturalist as compared with that of the average industrialist. The manufacturer of shoes or chewing gum or even shells and planes has a very definite idea of exactly how many units his plant is going to or could turn out in the next 12 months. The farmer, however, has not the slightest idea.

Even where he uses the best seed, the latest machinery and employs the most improved methods of cultivation and harvesting, the actual size of production is beyond his control. Weather is the governing factor responsible. In an unfavorable season the farmer may be fortunate to get his seed back which, in the case of wheat, would be only a bushel or so per acre. In a favorable season on the other hand, from exactly the same land with approximately the same amount of work and expense, 25 to 50 bushels would result.

Record Yield Per Acre

Since this war started western farmers have reduced their wheat acreage by around 20%, yet the Dominion Bureau of Statistics last week predicted the biggest crop of wheat on record for western Canada. The total will be around 600 million bushels but the really significant figure in the estimate is the yield per acre. For wheat this year it is 28.4 bushels per acre or the highest ever. Best previous record was in the miracle year of 1915 when an average of 26 bushels per acre was harvested. And this average figure it should be realized is an average one only. There will be plenty of fields in western Canada this year that will run fifty bushels to the acre.

Incidentally the record yield per acre this year confounds those pessimists who during the acute drought cycle of 1933-38 maintained that fertility of our Prairie wheat land had been all extracted, that the days of bumper crops were over.

Market Opinions

Lack of activity recently in stock markets gives little opportunity for comment on anything except fundamental background factors. Time is working toward solving many of the problems facing investors with some signs of a more optimistic attitude seen developing.

Barron's N.Y. (The Trader)—Quiet dealings and narrow fluctuations after three years of war have gradually brought about a change in sentiment. Considerably diluted is the pessimism of last winter and spring. Preponderant opinion no longer envisions further sweeping declines. The majority of investors and speculators are now disposed to buy on any worthwhile setback. Barrenness of the returns from cash is being more widely appreciated just as the government is finally moving against inflation, the greatest underlying threat to cash.

* * *

Financial World, N.Y.—As time goes by, support grows for the opinion that the market lows of last April should mark the bottom of the long decline which started in 1937. Even though further backing and filling are probably in store for coming weeks, the longer term trend should adequately reward the owners of well selected equities.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	59.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	83.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.6	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
1942: Weekly Figures:												
Aug. 6	75.4	57.5	61.3	46.1	97.2	76.3	97.4	74.3	67.1	75.4	67.7	61.5
Aug. 13	76.1	58.0	61.6	46.7	96.0	75.3	98.5	74.1	67.7	72.4	68.2	61.5
Aug. 20	77.0	55.4	61.6	47.5	98.2	75.0	101.3	72.7	66.8	71.3	68.1	61.6
Aug. 27	75.5	54.3	61.6	48.6	98.6	74.6	97.6	72.5	66.9	70.4	68.1	61.6
Sept. 3	75.8	54.7	59.7	48.4	98.3	75.2	96.9	71.8	66.9	70.4	67.9	61.7
Sept. 10	76.3	54.7	59.7	48.7	96.3	94.0	97.4	71.0	65.7	68.4	67.1	61.5

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Sept. 15	83.69	59.03	58.88	15.60
Sept. 14	83.69	59.03	58.88	15.60
Sept. 12	83.45	59.09	58.87	15.55
Sept. 11	83.51	58.94	58.99	15.55
Sept. 10	83.38	58.88	58.92	15.55
Sept. 9	83.49	58.77	58.78	15.61
Month ago	84.92	60.00	59.22	15.79
Year ago	99.20	101.78	74.69	20.21
High 1942	93.50	83.71	71.01	18.86
Low 1942	79.85	58.43	58.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Sept. 15	42.3	54.4	50.4	50.43	38.58
Sept. 14	42.1	54.2	50.2	50.28	38.71
Sept. 12	42.1	54.2	50.2	49.88	38.82
Sept. 11	42.2	54.2	50.2	49.45	38.68
Sept. 10	42.7	54.0	50.3	48.96	38.50
Sept. 9	42.2	54.0	50.0	48.94	38.53
Month ago	43.1	53.8	50.2	49.68	38.53
Year ago	47.8	65.6	59.7	85.71	72.32
High 1942	44.8	60.5	54.7	77.18	54.82
Low 1942	39.6	53.5	49.8	47.71	36.94

The Shareholder

Inflation has always been one of the risks which seemed formidable to investors. They reason that wars have always brought inflation and the result has been serious losses unless proper measures were taken. The trouble was that there was never any real agreement as to which measures would give protection against inflation.

This does not mean that certain industries will not be more seriously affected than others and it is often suggested that one of the best lines to take is to emphasize the companies with large reserves of raw materials, particularly raw materials in the ground. The companies with substantial production of crude oil are currently popular among U. S. investors. International Petroleum Co. seems to rank rather high upon this standard, admittedly not the only one from which to judge the desirability of investments.

* * *

Canadian dollar exchange rate on the free market in New York has tumbled again. After holding at approximately the same level as the official exchange rate, the unofficial rate in New York is now quoted at around 13% discount.

In the past this rate has had a considerable effect on the price of Canadian securities quoted in New York although far from being the only factor determining the difference between Canadian and U. S. quotations on the same stocks. At any rate the recent change has had practically no effect on quotations as the following examples show:

N. Y. and Canadian Quotas

	Sept. 14, 1942 N.Y.	Can.	Dis.	July 14, 1942 N.Y.	Can.	Dis.
C.P.R.	4½	5½	1½	4½	5½	1
Dome	11½	14½	2½	11	13½	2½
Imp. Oil	8	9½	1½	7½	9	1½
Int. Pete	11½	13½	2½	11	13½	2½
Int. Nickel	27½	30	2½	26½	30	3½
Can. $ N.Y.	87½			90½		

* * *

Rubber companies are going to face increasingly lean months until some time in 1943 when operations will start to increase gradually to a level well above pre-war manufacturing capacity, according to word from New York. Subject to minor changes, it is thought that operations of Canada's rubber manufacturers will follow much the same pattern.

Plans now well under way in the United States and Canada call for a combined output of synthetic and natural rubber by early 1944 of about 1.2 million tons. Allowing for the maximum use of manufacturing facilities in Canada, Great Britain, friendly South American countries and the United States, such a supply of rubber would make necessary approximately a 10 to 15% increase in manufacturing capacity, likely to be placed in the United States.

* * *

British stock markets are at the highest levels seen since the war started over three years ago, a condition in striking contrast to what has happened in Canada or the United States. British markets are admittedly operating under different circumstances than are our own. Funds have been made available for investment not only from higher earnings but also as a result of the repatriation of many millions of U. S. and Canadian securities formerly held by investors in the United Kingdom. Moreover, corporate taxation in Britain has been stabilized more thoroughly and longer than has been the case here, thus permitting a greater measure of long-term planning.

But sooner or later there should be an overflow of growing cash resources into corporate securities of various kinds. Those with surplus capital are likely to seek the higher returns and the opportunities for capital appreciation which the stock market offers, the latter practically our only remaining source of tax-free income. More and more the ordinary goods on which individuals spend higher incomes are going to disappear from the store, another argument on the side of eventually greater interest in stock markets.

On the Record

E. W. Smart, Dominion Securities Corp., Ltd. appointed acting wholesale administrator for W.P.T.B. succeeding **R. F. Chisholm.**

More than 10,000 ships carrying cargoes of 60 million tons have been convoyed by Canadian ships since the outbreak of war, according to a statement made by Navy Minister Macdonald.

Only about one-sixth of Canada's debt is held by the banks as compared with nearly one-half in the U. S.

A modern armored division has 400,000 horsepower as compared with 3,300 horsepower with which infantry divisions were equipped in the last war.

More than one and one-half million Canadians are paying income tax.

Joseph Tucker, formerly vice-president and general sales manager, Oliver Farm Equipment Co., Chicago, appointed Director of a new Canadian Division, in Ottawa, of the W.P.B., Washington, to handle U. S. priorities problems for Canada.

Pantepec Oil Co. of Venezuela is regarded favorably by certain quarters in New York, The Financial Post is told. It is pointed out that some forced selling has been taking place, but this has ended. Estimated reserves of oil on the company's properties are given as 200 million barrels of which one half goes to Creole Petroleum. Development is said to be very satisfactory. There is a limited Canadian interest in this stock which is listed on the Toronto Stock Exchange.

B. A. Oil Sells Debentures

$3 Millions Serial Issue to Finance Clarkson Refinery

British American Oil Co. has completed arrangements for financing its new refinery at Clarkson, Ont., and for additional equipment at Moose Jaw and Calgary through private sale of $3 millions of 3¼% serial debentures. The sale was handled by A. E. Ames & Co.

This financing was forecast by A. L. Ellsworth, president of B. A. Oil, at the last annual meeting.

The new debentures are secured on the same basis as presently outstanding debt of the company subject to such differences as varying interest rates, maturity dates and similar details require. The company's total funded debt is increased to $9.5 millions, consisting of:

Funded Debt

	Outstanding $
3% serials, due $500,000 annually June 1, 1943 and 1944	1,000,000
2⅛% to 3% debentures: $1¾ million 2⅛% to 2¾%, due $250,000 annually Sept. 15, 1942-48 inclusive; $1¾ million 3%, due Sept. 15, 1949	3,500,000
3¼% debentures, due $500,000 annually Dec. 1, 1945-48 inclusive	2,000,000
3¼% debentures (new), maturing $750,000 annually Sept. 1, 1950-53 inclusive	3,000,000
Total funded debt	9,500,000

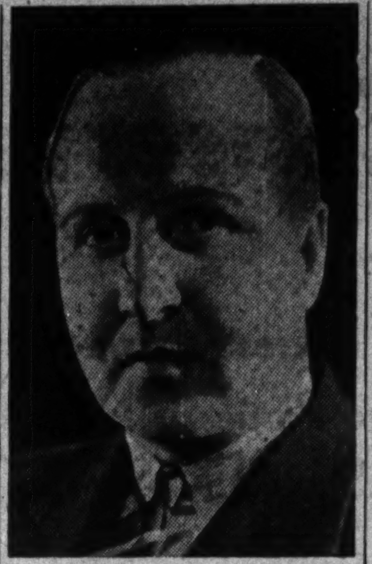
A pro-forma consolidated balance sheet of the company and its subsidiaries in Canada as at June 30, 1942, shows total fixed assets at $37.6 millions and depreciation reserve of $17.3 millions, leaving net fixed assets of $20.3 millions. This compares with $35.7 millions for fixed assets at Dec. 31 last, and depreciation reserve of $16.5 millions, leaving net fixed assets of $19.2 millions.

Net current assets, after making provision for all current liabilities, totalled $12.5 millions at June 30 this year compared with $11¾ millions at the end of 1941.

A comparative tabulation of earnings and taxes for the six years ended 1941 in the memorandum concerning the new issue includes a comparison showing what taxes would have been under latest rates for this period as follows:

Earnings and Taxes

	Profits avail. for interest & taxes $000	Income & E. P. Taxes Actually paid or provided $000	Under new rates $000
1936	4,761.5	752.3	1,783.7
1937	4,307.1	647.2	1,623.6
1938	4,419.5	700.9	1,677.0
1939	5,769.6	1,027.5	2,262.8
1940	5,035.4	1,735.7	1,928.3
1941	5,764.5	2,638.0	2,318.0



NEW VICE-PRESIDENT

John C. Cushing has been elected a vice-president of National Breweries Ltd. In addition to assuming his new responsibilities Mr. Cushing will continue in his present position as comptroller of the company.

Hudson's Bay Plans Capital Repayment

Company's Depreciation Account to Provide Reserve Fund for Future

Shareholders of Hudson's Bay Co. at the recent annual meeting in London approved repayment of £1. 10s. of the capital paid up on the 5% preference shares, which amounts to £3.10s. per share, at the discretion of the board of directors. This payment is to be made Jan. 1, 1943, date of the next preference dividend.

At the same time, shareholders authorized an increase in the company's capital by £600,000, the amount of the capital repayment mentioned, as directors may determine. Dividends of 3% on the ordinary shares, less income tax, were paid in August, plus another 2c on which income tax is not payable to be applied from receipts of land sales.

The company's depreciation provision is likely to decrease over the next few years until it reaches a figure of about £120,000 annually, P. A. Cooper, governor of the company, told shareholders. Last year's depreciation amounted to £140,000. Mr. Cooper points out that the Canadian law is more favorable to the taxpayer than that of the United Kingdom in that depreciation on buildings at agreed rates is allowed as a charge against profits in Canada.

He suggested that the existing depreciation account may provide a surplus which can be used for other purposes, provided that recent trends of earnings in Canada continue.

Mr. Cooper does not expect that trading profits from Canadian operations will be maintained at their present high level although stating that:

"So far we have no reason to be dissatisfied with the current year; but it is only half-way through and the second half of the year is always more important from the point of view of our final results."

Its subsidiary in the United States, Lampson, Fraser & Huth, has just concluded fur auction sales which exceed sales of the previous year, in themselves an all-time record for any fur auction house in any country.

Mr. Cooper mentioned the efforts being made to develop oil and gas resources on the company's lands in western Canada although cautioning shareholders to take a conservative view as to possible earnings from this source. He states that:

"There are as yet no indications that revenue arising from the company's oil and gas interests will contribute more than an acceptable addition to our other receipts."

Dividends from its subsidiary, Hudson's Bay Oil & Gas Co., appear some way off as this subsidiary still has to pay off drilling expense and old loans.

In Newfoundland, the company's trading interest, represented by Job Bros. & Co., had another successful year although that country is faced with difficulties in carrying on business just as are all other countries at the present time.

Bond Tenders

5 p.m., Sept. 21, Village of Val Barrette, County of Labelle, P.Q.—$10,000, 4%, dated Oct. 1, 1942, maturing serially from Oct. 1, 1943 to 1952. E. Forget, sec-treas.

Noon, Sept. 28, Sch. Mun. of Town of Montreal East, P.Q.—$75,000, 4%, redeemable in 20 years, by annual series. J. A. Forest, sec-treas.

United Securities Strongly Backed

Plan of Reorganization Passes by Almost Unanimous Vote

From Our Own Correspondent

MONTREAL.—By almost unanimous vote bondholders of United Securities Ltd., voted approval of the scheme of arrangement. Bonds to the par value of $2,377,500 were represented at the meeting either by proxy or in person. Of this number $2,372,500 were voted in favor of the plan.

It now remains to have the plan approved by the court, after which steps will be taken to distribute the new bonds.

Basis of Scheme

The arrangement provides for a reduction in outstanding bonds from $4,025,500 to $3,351,500, through cancellation of $674,000 of bonds held by the company itself.

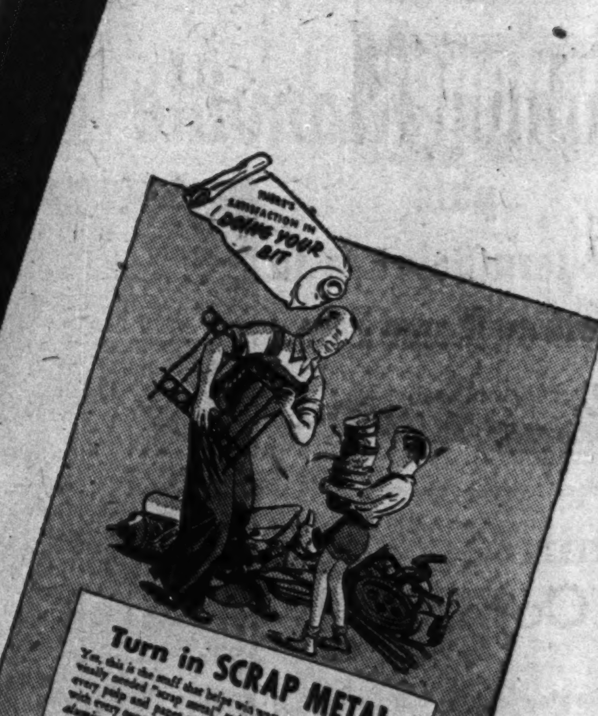
The new bonds will be exchanged par for par, with the coupon rate lowered from 5½% to 3% and the maturity of the bonds extended to 1952. The issue will have no sinking fund and will be redeemable at any time prior to maturity at 100½ and accrued interest. Payment of principal and interest will be guaranteed jointly by Montreal Light, Heat & Power Consol. and Shawinigan Water & Power Co.

The new bonds will be issued in two series. The first series, payable in Canadian funds only, will go to holders resident in Canada, and the second series, payable in Canadian, American or English funds, to holders resident outside Canada.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Wood, A. & J.	a6%	1944	Oct. 1	103
Eastern Car	*6%	1952	Jan. 1	105

a$29,500. *$52,000.



A Salvage Poster* for Bulletin Boards

The above poster is one of a series prepared by the Pulp and Paper Industry to help in the salvage drive. Copies will gladly be sent free of charge to any firm or other organization in Canada which can make good use of them.

These posters are printed in two colours, measure 10" x 13½" and are available in English and in French.

This is part of a campaign sponsored by the Pulp and Paper Industry in mill towns, emphasizing the importance of salvage and conservation. Advertisements, tying in with these posters, are also being run in these towns and a typical advertisement is reproduced above in miniature.

We shall be glad to supply you with copies of these posters for your bulletin boards. Just tell us how many you require and they will be mailed immediately.

*These posters were prepared originally for use in pulp and paper mills but, in response to many requests, are now being made available without charge to other organizations which can profitably use them.

THE PULP AND PAPER INDUSTRY OF CANADA
372 SUN LIFE BUILDING MONTREAL

The Bondholder

Victory Loan organizers are expected to leave for their districts Sept. 23 in preparation for the October drive. Ordinary bond trading may be expected to slow even further as traders absent themselves from their desks, with activity reaching its nadir during the actual marketing period of the loan.

* * *

Objective of the forthcoming loan has not yet been officially disclosed, but estimates of between $700 millions and $800 millions have been heard. Some idea of the task that faces Canada on the financial front may be gained from a recent comment of Whaley-Eaton Foreign Service:

"Taxes in Canada, income and otherwise, have drained off so much of the income of the middle and upper income groups that it is feared the Victory Loan drive may fall short of its $1.8 billions goal. The goal seems almost inordinately high. It means that every man, woman and child will have to buy $150 worth of bonds, on the average. The $12 billions war bond campaign in the United States is less than $92 per person on a per capita basis. The United States campaign would be for $20 billions if U. S. sights had been set as high as Canada's."

Canadians, and Canadian war finance officials, do not at all share such a pessimistic view of our possibilities.

* * *

Twin City Rapid Transit 5½'s of 1952 currently around 90 to 92 are some three points better than at the start of the month and eight points higher than the market a couple of months ago. As with most urban transit companies Twin City is meeting with handsomely improved revenues so far this year. In the six months ended June 30, 1942, the system had gross income of $1,145,233 with funded debt interest requirement $390,000. In the same period of last year gross income was $625,444 and interest requirement $410,483. For the entire year 1941 Twin City covered its interest 1.29 times, compared with 1.13 times in 1940.

* * *

Great West Saddlery has sold $264,000 3% serials in a private deal with Mills, Spence & Co., Cochran, Hay & Co., and Bell, Gouinlock & Co. The bonds are dated Sept. 1, 1942, and mature $44,000 annually 1943-48. Proceeds will refund, in part, the outstanding balance of the company's original 6% bonds.

Les Soeurs de Misericorde de Montreal will redeem on Oct. 1 next at 102 and accrued interest all of their outstanding 4½% mortgage bonds, due Apr. 1, 1940 to 1955, amounting to $500,000. The bonds were issued in 1935.

Hotel Dieu, of St. Michel de Roberval, P.Q., *has informed holders of its $1.1 million issue of 4% bonds, dated Nov. 15, 1940*, that the entire issue will be redeemed at par and accrued interest on Nov. 15 next.

Envelopes for every purpose. Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

War Risk Insurance
AS A SERVICE TO THE DOMINION GOVERNMENT AND THE PEOPLE OF CANADA
All the facilities of the Head Office, Branch Offices, Staffs and Agency Force of our Companies are made available to the public in the writing of insurance against damage as a result of War under the Government War Risk Insurance scheme.
Full particulars can be obtained by referring to any Branch Office or Agent.
The CANADIAN FIRE INSURANCE COMPANY
The CANADIAN INDEMNITY COMPANY

See Earnings Not Hurt By Power Diversion

Shift From Civilian to War Needs Keeps Total Deliveries Up, Rates Lower — Tax-saving Absorbs Most of Loss

By JOHN E. LANGDON

MONTREAL.—Redistribution of the power load in Ontario and Quebec, as provided in the order issued by Power Controller Symington, will have little effect on net earnings of privately operated power companies, The Financial Post is told.

These companies will suffer a decline in gross revenues, it is true. But most of this decline will come out of the tax bills which they pay to the Dominion, leaving a smaller share for the companies themselves to bear.

The situation may be somewhat different for Hydro-Electric Power Commission of Ontario. This organization is expected to suffer a loss of gross revenues perhaps greater proportionately than that which private companies in Quebec will feel.

Want 400,000 H.P.

The Power Controller is asking domestic consumers over the greater part of Ontario and Quebec to voluntarily cut their consumption of electricity by 20%, while curtailment of consumption by commercial users goes into effect on Sept. 20. Certain non-essential industries also will have their power deliveries reduced in the plan to make up the estimated shortage of 400,000 h.p. required by war industries over the coming winter months.

The switch of electricity now going to domestic and commercial customers to war industries will not result in a net loss of power deliveries to the operators. But the power thus transferred will be sold at a rate considerably under that now charged for either domestic or commercial use.

This difference in gross income will have to be absorbed by the operators, softened by a corresponding reduction in taxes.

Plenty of Margin

Montreal Power last year had a gross revenue of $4.5 millions from domestic power sales. In addition the company received $5.4 millions on commercial sales.

A drop of 20% in domestic consumption would mean at the very outside a decline of $900,000 in revenues, while a curtailment of one third in the commercial load would cut income by $1.8 million.

Against this potential "loss" of $2.7 millions, the company would in part offset it by sale of the power recovered to war industries.

If only one fifth of this loss were recovered, the over-all net loss in gross income of $2,160,000 would be largely written off the company's tax bill which last year totalled $7.1 millions.

Neither Gatineau Power Co. nor Saguenay Power are likely to be more than casually affected by the new order.

Small Amount Involved

Shawinigan Water & Power Co. sold only 2.57% of its total output last year on a retail basis. Allowing for the switch from non-essential industries to war industries, the loss would still be considerably under the $2.1 millions paid by the company in taxes last year.

Southern Canada Power has a fairly heavy domestic and commercial load, but here again this company has a tax bill of over $600,000 wherewith to cushion the shock resulting from the readjustment of the power load.

In effect, therefore, the loss in gross income resulting from the Power Controller's order will, in so far as the privately owned companies in Quebec are concerned, be taken up largely by the Dominion Government through lower tax payments by the operators.

Investment Notes

International Utilities Corp. is proposing to the Securities and Exchange Commission, Philadelphia, a merger between itself and its subsidiary, Dominion Gas & Electric Co. It is suggested that such a merger would permit International Utilities to obtain exemption from the Public Utility Act of the United States as Dominion Gas operates only in Canada. Under this plan International Utilities would dispose of the gas and combination gas and electric companies operated and owned by General Water, Gas & Electric, another subsidiary. This would leave General Water, Gas & Electric owning only water companies and no longer subject to the Public Utility Act.

* * *

Loew's London Theatres shareholders are advised of a special meeting Sept. 23, King Edward Hotel, Toronto, to wind up the company. Sale of the assets was recently concluded for $254,000 cash which, together with cash on hand and on deposit after payment of expenses, should make available for distribution to preferred shareholders approximately $270,000, or the equivalent of $8 a preferred share.

* * *

Volume of speculative trading on the Montreal Stock Exchange and Montreal Curb Market has reached a new low judged by brokers' loans. At the end of last month such loans amounted to $4.8 millions. This is the lowest figure reported since the returns were compiled.

Advertising Tax Rules Cleared at Conference

(Continued from page 1)

tuations, e.g., a reduction in personal sales effort might justify an increase in general advertising.

Reasonable recognition may also be given where, during the standard profits period businesses enjoyed the benefit of advertising allowances which have since been withdrawn. The gross amount spent in advertising during the standard period rather than the net after deduction of such allowances may be the guide if the claim appears reasonable.

Current advertising expenditures will be scrutinized in comparison with expenditures during the standard profits period 1937-39, but it is recognized that many businesses during the years 1937 onward made expenditures on advertising on an increasing scale as general business increased. Regulations restricting advertising expenditures to those made in the standard profits period are not to be interpreted to mean, however, that they should be forced below 1940-41 levels where such expenditures were in reasonable relationship to the normal increase in business, and where such increased business has been maintained in subsequent profits periods.

A distinction is being made between those businesses which are, in the main, carrying on the same character of business as in prewar days, that is, not in war work or selling a substantial portion of output to the government; and businesses whose activities are mainly converted to war work.

Follow Usual Practice

Briefly, those businesses in the first category who base their annual advertising appropriations on some generally recognized principle and policy related to their sales volume, may continue to do so. The normal advertising practices followed in the various industries with which such businesses are identified will serve as a guide in arriving at "normal" advertising procedure.

"Depressed" industries and others which made very little use of advertising during 1936-39 will now be permitted to advertise in keeping with their current marketing needs on a basis in keeping with the present competitive situation and their own specific operations.

Profit Growth Base

The sharply restricted increases in advertising expenditures based on growth of profits or turnover since the 1936-39 period, formerly laid down as a general guide for advertisers, are now defined as applying to those firms who did not formerly engage in normal advertising practice or who operated under no clearly established advertising policy in relation to sales or profits. These schedules are:

% increase in profits over 1936-39 avge.	% increase in vol. of turnover over 1936-39 avge.	May allow following increase in advt. costs over normal*
up to 30%	up to 60%	5%
30 to 40%	60 to 80%	7%
40 to 50%	80 to 100%	9%
over 50%	over 100%	10%

*But not more in any case than a 10% increase over normal.

New Business Question

New businesses, established since 1939, will be permitted normal advertising expenditures in line with the customary practices followed by advertisers generally in their respective fields of commerce and industry.

New products, requiring to be introduced and explained to the maker's customers and prospects, may be advertised in a manner comparable to that adopted by other makers of similar products.

Businesses wholly on war work may employ advertising reasonably for the maintenance of goodwill among old customers, for the continued public recognition of their trademarks and in reasonable support of the publications that are continuing to render a valuable service to the trades and industries with which the advertisers are identified.

Where businesses on war work are also continuing the production of some of their peacetime goods, they may continue to advertise such goods in addition to the maintenance of their goodwill and trademarks. They can advertise to support normal publication performance and service if this aids war production, technical efficiency and general business morale.

New businesses on war work, who have done no previous advertising, may find it desirable to employ advertising to speed up the job in hand, to build personnel morale throughout the plant or in other ways to serve the war effort. In such instances, advertising of this character will be given sympathetic consideration both by the Minister of Munitions & Supply and by the Income Tax Division.

Correct Irregularities

The provisions in this latest tax department memorandum are not intended to interfere with reasonable advertising expenditures during the 1941 period. It does contemplate the correction of flagrant irregularities which may have occurred during the 1941 period in certain businesses. It is intended to apply to 1942 and subsequent periods, but it is recognized that commitments for advertising expenditures are frequently made substantially in advance of the actual expenditures. Certain reasonable lee-way should therefore be granted for expenditures made in the first half of 1942 which may be presumed to have been planned in good faith prior to the issue of memorandum No. 12, May 22, 1942.

Nothing in this memorandum is to be construed as disallowing advertising expenditures in connection with the Second Victory Loan.

Winnipeg Electric Co. reports traffic on its street cars and buses has increased 26%. With the winter months ahead, serious traffic congestion is anticipated. To meet impending rise in winter traffic, the company has only been able to increase its rolling stock by 10%. In line with the Transit Controller's recommendations, the company has eliminated 107 bus stops and substituted street cars for buses wherever possible.

Ontario's Power Shortage

Supply		H.P.
Prewar peak load (Dec., 1938)		1,330,000
To which has been added:		
Total reserves at Dec., 1938	480,000	
Big Eddy	10,000	
Niagara Falls	*135,000	
Maclaren-Quebec (steam)	57,500	
Maclaren-Quebec (hydro)	25,000	
Barrett Chute	54,000	
Welland Ship Canal	5,000	766,500
Maximum power available now		*2,096,500
To come from work under way:		
Niagara Weir—Dec., 1942	20,000	
DeCew Falls—July, 1943	65,000	

*Extra power at Niagara arises through greater diversion of water arranged by agreement with U. S. This is an average horsepower figure and actual dependable reserves are placed at not more than 1,950,000 h.p.

Demand

About 30% of all power users in Canada live in southern Ontario

About 25% of new capital invested in war industry has gone to southern Ontario.

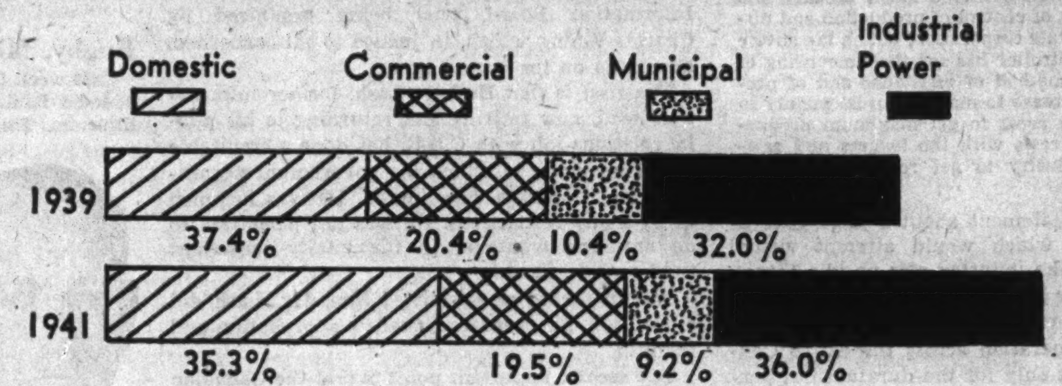
The result is a probable peak demand of something over 2.2 million h.p. this winter. With dependable power resources about 1.9 million h.p., the shortage may be 300,000 h.p.

This 300,000 h.p. shortage will be met by:

Enforced curtailment to start Sept. 20	100,000 h.p.
Niagara Weir now being built	20,000 h.p.
Leaving a balance to come from voluntary curtailment by domestic and non-essential power users	180,000 h.p.

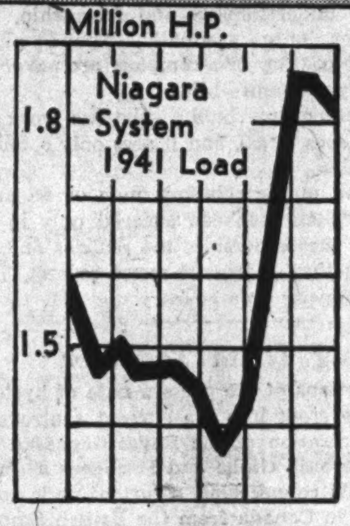
A voluntary reduction of 15% in power used by domestic and all other power users, except war industry, can supply this shortage.

Hydro's Power Sale Revenues Come From

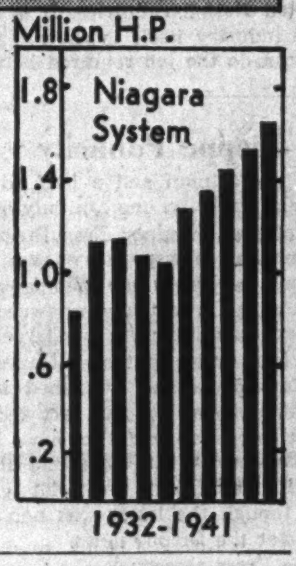


An Emergency Arises at This Time Because

Shorter days and colder weather bring each year's seasonal peak in November or December.



Long-term trend has been upward each year since 1932 with Canada's war output peak placed in February 1943.



How Canada's Forces Rate

(Continued from page 1)

tions appears good and is certainly splendidly handled with fire exceedingly accurate.

Opinion is that the improved "Churchill" tank equals the present German best. In other directions, Canadian inventiveness and McNaughton's encouragement of initiative has produced certain profoundly impressive results.

In the air our bomber crews—veterans in their early twenties of 15 to 30 operation flights—have no illusions concerning the efficiency of German defenses.

Our fighter pilots see no signs of deterioration in the enemy pilots, and highly respect the workmanship and efficiency of such planes as the Focke Wulf 190. Nevertheless, it is agreed that the British designs are outpacing the Germans. The newest Spitfire is unmatched. The United States "Mustang" is low-ceilinged, but with a great speed, serving excellently in combined operational work.

Lancasters "Tops"

As for bombers, the new Lancasters and Halifaxes are incomparable for load capacity and fire power and in the matter of explosives, British scientific brains have been given full play. There are new surprises for Germany coming.

No one who watched operations can fail to be impressed by the overriding importance of supply. Increasing scale of raids inevitably means an increasing scale of losses and replacements. British authorities state the utmost is being done to step up production though we read of a week-end strike in one aircraft factory. But despite diversions from other channels, and the increased use of women, it is admitted Britain has now reached the manpower saturation point.

Canada's Production Vital

It is obvious that such programmes as building Lancasters in Canada and the provision of parts is a most important factor and must be expedited. Similarly regarding the Canadian Army—while the equipment of field forces is good there can never be a surplus in today's type of warfare. It is encouraging to see in the base ordnance depot, almost as large as General Motors' plant and built incredibly quickly by Canadian engineers, huge cases of freshly arrived Canadian field guns and other equipment previously obtained here. It is the never-ending, always multiplying, flow of material that can turn the tide.

The general military and political viewpoint on the progress of the war is realistic.

We even hear Churchill's utterances criticized as being too hopefully phrased. Regarding the war office, while comment is still heard that some higher-ups continue to consider warfare a matter of horses and swords, I have had the frankest talks with several British keymen who insist there is the fullest realization of what is needed, but it has taken time to correct a situation brought about by so many years of practically suppressing the British Army at a time when the Germans were scientifically developing war methods.

They claim nothing is being permitted to stand in the way of men with vision and ideas and point to the ruthless command changes. An example of receptiveness is the case of Lt.-Gen. A. E. Nye, son of a sergeant-major, who enlisted in the ranks in 1915. Now at 47, he is Vice-Chief of the British General Staff.

Langley's Sales Up, Net Down

Military Business Offsetting Much of Loss of Branch Closing

Increased sales at the 29 stores operated by Langley's Ltd. has largely offset decline in call and delivery business, states S. R. Mackellar, president. City deliveries are now restricted to three per week in each district. A considerable volume of military work, both individual and contract, has partly offset loss of business from closing six branch stores.

Revenue from the bachelor laundry department, aided by addition of military work, has been above expectations. This division is running to capacity.

Sales are ahead of 1941 and profits a little below those of last year to date. Costs during the present year have been heavier during similar months of 1941, largely due to payment of cost of living bonus.

Mr. Mackellar expects necessity for conservation of clothing to increase demands for dry cleaning service and that Langley's Ltd. will obtain a considerable share of this increase.

Gould Pumps Inc. declared an interim 3% dividend on its preferred stock, payable in U. S. funds Oct. 2, 1942, to shareholders of record Sept. 21. This payment will reduce arrears to $43.25 a share.

CANADIAN GOVERNMENT BONDS
BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

FACTORY FOR SALE
Located C. N. R. North of Toronto
LARGE WOODWORKING PLANT
equipped with Dry Kilns. Will be sold with or without machinery. Hydro-Electric plant adjoining gives free power plus revenue from distribution.
For particulars: F. M. Moffat,
199 Bay Street, Toronto, Ontario.

Revision
Revision of the Dominion Succession Duty Act was made at the last Session of Parliament and we have republished and brought up-to-date our booklet "Notes on Dominion Succession Duties." Your estate will probably be affected by this Act. Write or telephone for a copy of this booklet.
NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

THE MASTER HAT OF CANADA

Biltmore Roller
A LUXURIOUS LIGHT WEIGHT HAT

The Editorial Page . .

Are We Really Hurt?

In certain quarters there has been an increasing tendency in the last few weeks to complain about our so-called sacrifices. There has been muttering about tax deductions in pay cheques, wails about the difficulty of securing the weekly roast and squawks about the restrictions on pleasure driving now and to come.

Those that so complain, and few of us have not been guilty, might well take stock of our present favored position and compare it with that of the people of occupied Europe.

In France, Belgium, Holland or any other of a dozen countries under the Nazis, the average person no longer worries about tax reductions—his main concern is to keep clear of a firing squad. It is not a question of what kind of meat he is going to have for Sunday, but whether there will be sufficient mouldy bread to keep his children alive. And as for automotive restrictions, Hitler can do as he pleases, because from the beginning he confiscated all cars operated for private use.

True, Canadians are not just as well off as they were at the beginning of the war, but the sacrifices that have been demanded of us so far have been trivial compared with those of our former allies who were unable to stop the Germans.

We may not be able to get all the meat and a few other foods we are accustomed to this winter, but with our abundant crops any thought of starvation in Canada is utterly fantastic. There will probably be more restrictions on travel before the year is out, but look at the European who is compelled by bayonets to stay indoors at night and who cannot travel beyond the limits of his village without a special pass.

Through all of occupied Europe and in most of the British Isles too, the people must stumble through a perpetual blackout on their way to homes where every lump of fuel is rationed. In Canada at the worst we are asked to dim a few street and store lights and lay in our coal in advance. Instead of complaining, we Canadians should be down on our knees thanking God, that compared to the people of Europe, we are still living in luxury.

The Lumber Crisis

Two questions are at issue in the appeal of Allan S. Nicholson, Timber Controller, to the lumber industry of Canada.

One is the immediate urgency of avoiding a lumber famine at a time when both Britain and the United States are looking to Canada for aid and when Canadian demand itself is swollen by war requirements.

The other is the challenge which Mr. Nicholson has clearly thrown to the industry to support his own conviction that it is not necessary to "socialize" lumbering in Canada to meet urgent war demands.

Since last fall the lumber industry in Canada (or a considerable portion of it) has been handicapped by uncertainty as to where it stood in relation to the price ceiling. This was aggravated by an acute manpower shortage and by the fact that, until a few days ago, lumbering had not been declared an "essential" industry.

There was an inclination for some operators to say, in effect: "If the government really wants lumber why not say so, declare the industry essential and assure us that, by the time we come to market our timber (in some cases 18 months after men have been sent into the woods) we will not be squeezed between high labor and operating costs and a fixed price ceiling."

Mr. Nicholson is an experienced lumberman who has grown up in the business. Now he has gone well out on a limb in giving personal assurances to operators that the government would not let them down.

These personal assurances have now been implemented in the official eight-point programme announced by Hon. C. D. Howe last week. Most operators in the industry are to get a price increase to meet rising costs. Any "squeeze" that cannot be absorbed by the trade, will be taken up by public subsidy. A nationwide drive for manpower has been undertaken.

It is not expected that the huge U. S. demand on Canadian lumber will be met. But Canadian needs are to be pared down to the barest essentials and whatever is produced by our industry is to be divided roughly three ways: one third to domestic users; one third to U. S. and one third to U. K.

There will be disappointment in the U. S. that more lumber will not be available. But Mr. Nicholson rightly takes the view that the urgent needs of Great Britain must be met even though it would be highly profitable for us to market all our surplus in the U. S.

On paper, Controller Nicholson's programme seems an admirable, commonsense approach. Assuming the price increases (not yet announced) are reasonable and adequate, there should now be no excuse for the industry not giving its sleeves another roll and producing a record-breaking cut for 1943.

What are the alternatives?

They are stated very clearly in the closing paragraph of Mr. Nicholson's statement to the industry. He says:

"The government had under serious consideration for some weeks recently a much broader and more drastic policy of control of production and distribution by a separate corporation, but on the advice of the Timber Controller has for the time being at least adopted the method of assistance and of permitting a price increase to manufacturers mainly in seasonal producing areas to get maximum production. It therefore rests with the loggers and sawmillers in the industry to get results, with the assistance of all."

The Nicholson statement about a huge government corporation which would attempt virtual "socialization" of the industry was no idle threat. Had it not been for the intervention of Mr. Nicholson, there is every reason to believe it would have already been in operation across the entire Canadian industry, not only for the duration but perhaps in the postwar era as well.

Thus, the Nicholson programme is not only a challenge to the industry to avert a lumber famine which might adversely affect the war effort of three great United Nation countries. It is also a challenge to the industry itself to show that private enterprise can do the job required better.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, material, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with postwar employment and relief problems.*

That Dieppe Publicity

After reading his column and a half editorial on the Dieppe raid publicity, one can only assume that the editor of the Winnipeg Free Press does not read an American newspaper, or see a so-called "Canadian" newsreel. Our Winnipeg contemporary apparently is entirely unaware that this five-sixth Canadian operation was largely described as American or at least as a United Nations show in first dispatches published in the United States. For pointing out this fact and suggesting a prompt corrective in future news handling from the war fronts, The Financial Post is accused of having a chronic editorial grouch against Ottawa, though the latter was not at all criticized by us over the Dieppe news.

Flatly the Free Press asserts:

"Did the American press publish daily columns about the 'United Nations' operations' and hardly a word about the Canadian? They did not. Is it true that few Americans know that Dieppe was very largely a Canadian effort? It is not true."

Let us turn to the facts.

On the morning after Dieppe, readers of the New York Times were greeted with this eight column streamer across page 1:

U. S.-ALLIED TROOPS, TANKS RAID DIEPPE NINE HOURS.

And in the competitive Herald Tribune appeared this headline:

U. S. RANGERS JOIN NINE-HOUR COMMANDO RAID

There is not a single word there about Canada's leading position. One had to read much farther down the page before the fact was mentioned that the Canadians were even there. And a few days later came an even more distorted version in what was labeled a "Canadian" newsreel, and shown at Canadian theatres. This mentioned the word Canadian exactly twice and implied throughout that the raid was almost completely American. The whole thing was so biased that strong protests were made by movie patrons.

The relative number of Americans in the raid was so overplayed in early American news-services generally that many U. S. newspapers later apologized. Typical of such was this comment from the weekly magazine, Life:

"The only sour note in this raid was the U. S. press. 'We Land in France' exulted the New York Post. 'Coast of France Stormed by U. S. and Allied Forces' streamered the Atlanta Journal. 'U. S. Troops Fighting in France' cried the St. Louis Post-Dispatch.

"But Americans stationed in London flushed with embarrassment when these headlines were reprinted in English papers for this was primarily a Canadian-British show with only a few U. S. troops included."

Yet the Winnipeg Free Press is abjectly satisfied with this sorry result.

The Post is not complaining about the publicity that followed when the facts about Canada's role were finally released. This was excellent. Indeed the eye-witness accounts of Wallace Reyburn and Ross Munro, were in such a class that they drew unstinted praise from outstanding American publishers who were glad to use liberal extracts from them later on. The only pity is that a true account of Canada's part did not appear in American newspapers until after earlier biased accounts received the vital first publicity that does so much to mold public opinion.

The Financial Post did not, and does not, criticize the Canadian government in this matter. It merely urges that Ottawa find out what happened so as to avoid repetitions of the unfortunate affair of a great and mainly Canadian assault in which the Canadian role was, in the important first hours of publicity, inadequately covered.

Lash Out — Vining In

There are two points about the new Wartime Information Board, now being organized by Charles Vining which, in justice to all concerned, should go on the record now.

The first is that Herbert Lash, former information head, now retiring and returning to his public relations job with C.N.R. has done a creditable job. The sphere in which the government permitted him to operate was limited. He was hemmed in by many restrictions. He was not permitted to do anything whatever in the vitally important field outside Canada.

Within the scope permitted him, Mr. Lash did a good job. He deserves Canada's approbation and thanks.

The second important point is that the Canadian public must not expect too immediate and too dramatic achievement on the part of the new Vining public relations organization.

Results in public relations come slowly and quietly. Like understanding and friendship, real success comes only gradually. Sound public relations for a country or a company are never the result of a high-pressure blitz.

The most important public relations work the public never sees at all, and it sees only a few of the total results.

Above all, a public relations man or an army of public relations men can succeed only in the measure that the leadership, the policies and the aims of those they represent merit respect. That goes for a company or a country.

Bring Them Together

In some sections of the press a note of hysteria seems to have crept into the current controversy over Canadianization of the Royal Canadian Air Force. The Toronto Globe and Mail sees a threat to our imperial connections, a sort of undercover scheme to wean Canada from the British Empire.

This is only confusing the issue.

There has been no suggestion of a separate command; of setting up a supreme Canadian staff which would decide where or when or if we would send our fighters and bombers on any mission. Air Minister Power, who sponsors Canadianization, explains it simply as a regrouping of our airmen overseas into solid Canadian units. At present thousands are scattered through the R.A.F. fighting all over the world.

Such a regrouping would end a lot of morale-upsetting little troubles, for these Canadian lads attached to the R.A.F.—such things as pay and allowances, lack of familiar recreational equipment, and mutual topics of conversation with their comrades and, above all, homesickness. "They will," as Air Marshal Edwards stated in London last week, "be happier if they can talk to other boys from Yarmouth or Aurora, Portage or Chilliwack. Not only happier, but more efficient in the performance of their high tasks."

At first there was some justification for mixing Canadian air crews with the R.A.F. because our lads lacked the necessary experienced leadership. But after a year or more of fighting over Germany, Burma, and Libya, there is no difficulty about fliers from this Dominion furnishing any leadership now. Grouped solidly together, Canadian flyers will fight with that team spirit which is so essential for victory in the air. There is no more reason for scattering them through the R.A.F. where identity is largely lost, than there would be for breaking up our army organization and mixing our men and officers indiscriminately through units of the British Army.

Cartoon by Grassick

WE'RE ALL IN THE SAME BOAT

Post-Scripts . . . .

Rugby, Mining and Insurance

Last week Canada Life Assurance Co., added a mining engineer to its board of directors. This did not mean, however, that Canada's oldest insurance company was branching out into an entirely new business but simply that its general manager, St. Clair McEvenue, had received a well merited promotion.

MR. McEVENUE

Back in 1913 "Sinc" McEvenue, as all his friends call him, graduated a full fledged mining engineer from his father's old university of McGill. When he started the course, four years earlier, he had every intention of following the engineering profession. But then most young Canadians of the period had a similar ambition. Canada was in the midst of feverish development. In the west townsites were springing up like mushrooms. In the east, too, gold and silver mines were opening fast. When McEvenue got his sheepskin, however, the boom was over and a mild sort of depression setting in.

After a little experience at mining he decided to enter the life insurance field and stayed. There he did not find his engineering training was wasted; in fact he tells his friends that the fitting of insurance to each individual applicant's needs requires the same exactness that all engineers are taught to use. And later on when Canada Life decided to erect its present handsome head office on Toronto's University Avenue, Engineer McEvenue was put in charge. The pleasing result, he terms a modern insurance factory, which after 11 years of constant use has required not a single major change.

But this is getting a little ahead of the McEvenue story. Away back the family is Irish but while "Sinc" happened to go to McGill, he was born in Ontario and has spent practically all his life in Toronto.

At college he took up rugby and became one of the greatest quarterbacks in Canadian football history. Later when he came to Toronto he coached the Argonauts and it was his team composed of such famous stalwarts as Conacher, Batstone and Cochrane that won the Dominion championship shortly after the first Great War.

In between these two highlights came war service. McEvenue went overseas with a Montreal battalion as a lieutenant, was subsequently promoted to a captain and later transferred to the old Royal Flying Corps.

Today Mr. McEvenue is a little older and a little greyer than when he used to play rugby, but he is just as straight, tall and lean. His recreation now is golf, where he frequents the low eighties, and a little fishing. He owns a home out Bayview way just outside Toronto, but claims no special skill as a farmer or even a gardener. His chief interest outside the insurance field is his family, a large one by modern standards, four boys and two girls, to which has been added a spare refugee from the British Isles. Close associates of Mr. McEvenue attribute his steady rise through the sales force and executive offices to his uncanny ability to judge and help men. He is not what is known as a technical insurance man but a practical one. Since 1936 he has been a member of the Life Insurance Sales Research Bureau, and in 1938 was appointed chairman of that joint United States-Canadian organization.

. . .

A Man of Many Parts

Fraser Sanderson Keith, who takes over next month as president of the Graduates Society of McGill University, is a man of many parts. Heavy-set and broad-shouldered, this Montrealer of 64 years of age, has taken part in so many professional and civic activities that a list of them would occupy the best part of a column. Journalist, publisher, association secretary and, for the last 18 years, manager of the Department of Development of Shawinigan Water & Power Co., he is one of the best known of McGill's graduates.

MR. KEITH

Born in Smiths Falls, Keith attended the local high school. From there he went to McGill, graduating in 1903 with honors in engineering. For one session he entertained the thought of taking up an academic career, but in 1904 he joined The MacLean Publishing Co. as managing editor of Canadian Machinery. He stayed in newspaper work for a few years and then went to Vancouver where he switched to the cement business. That venture apparently did not go too well or the love of journalism proved stronger for in 1915 he was back east as eastern manager of The MacLean Publishing Co.'s technical papers.

From this point on Fraser Keith's activities are clearly divided into two groups—professional and civic. In 1916 he was managing editor of Construction. The following year he became secretary and member of the Canadian Society of Civil Engineers. He was the first general secretary of the Engineering Institute of Canada, a name suggested by him to replace the C. S. C. E. He designed and inaugurated the Institute and was the first editor and manager of its official publication—"The Engineering Journal." This post he held until 1925 when he left to join Shawinigan.

Mr. Keith was an official Canadian delegate to the First World Power Conference held in London in 1924. He is a member of the Leonard Foundation and also a member of a number of engineering and technical societies. In addition he has held the post of secretary to his university class since 1918.

In the civic field there seems no limit to the demands which have been made upon his time and services. For five years he was chairman of the Board of Managers of the Presbyterian College. He has been associated in several capacities with the Federated Charities of Montreal, the Y. M. C. A., the Salvation Army, the Boy Scouts, the Rotary Club and the Montreal Board of Trade.

No sketch of Fraser Keith would be complete without reference to his "green fingers." At his Senneville home, a short distance from Montreal, he has created with his own hands one of the finest flower gardens on the Island of Montreal. Nor should one forget that a few years back he achieved a measure of fame as the only businessman on the continent who had a real, honest-to-goodness fig tree growing in his office. From flowers and trees to birds is but a step, and to him goes the credit for establishing a bird sanctuary over a large section of the Island of Montreal.

Much more could be said of his activities. However, this brief highlighting of the man and his career is sufficient to indicate why McGill graduates chose him as president of their society for the next two years. If it were necessary to give another reason, one might add that in his own, quiet way Fraser Keith has helped make it possible for scores of young lads to finance their way through university and to take their place among the engineer-builders of this country.

. . .

A Soldiers' Soldier

A soldiers' soldier has been entrusted with the defense of Canada's western coast. He rose from the ranks. He was a sergeant before he won his commission. He holds the highest decoration in the British Empire, a decoration which even the most cynical never inferred ever "came up with the rations."

MAJ.-GEN. PEARKES
—Canadian Army photo.

On the broad shoulders of burly Major General Geo. R. Pearkes, V.C., D.S.O., M.C., falls the command which is understood to include all air and naval as well as military forces on our Pacific Coast. Such a single command would seem to be imperative as any operation along the mountainous and deeply indented shoreline of this territory must soon embrace fighting on the water, in the air and on the land.

General Pearkes was born in England but as a young man of 18 came to Canada in 1906. He had spent a short time as a private in the Bedfordshire Regiment in the Old Country, and soon after arriving in the Dominion, he joined the Royal Northwest Mounted Police. Shortly after the Great War broke out, he joined the Second Battalion, Canadian Mounted Rifles, as a buck private. The next year found him in France and a sergeant. The same year he won his commission and the Military Cross.

The Victoria Cross came during the fighting on the water-logged slopes of Passchendaele. Here young Pearkes now a major and second in command of his battalion, almost single-handed captured a concrete pill-box which was holding up an attack and inflicting heavy casualties on the Canadians. He was badly wounded but held his stronghold until relieved. He was promoted to Lieut.-Colonel before he went back to France and given command of the 116th Battalion. At the beginning of the great drive which ended the first Great War, he was again decorated, this time by both the British and French governments.

Finding the army to his liking, General Pearkes decided he would like to know something about the scientific side of soldiering when the practical training ended abruptly with the peace of 1919. He took a staff college course in England and in the long "armistice" between 1918 and 1939, he served as a general staff officer in various military districts of Canada.

The outbreak of the present war found him a Brigadier commanding military district No. 13 (Calgary). On mobilization of the First Canadian Division he assumed command of the Second Brigade. He went overseas in December, 1939 and was promoted to command a Canadian division in December, 1940.

. . .

Stop Me If . . .

Mrs. B. Humphreys, a Leicester war worker, was mystified when a cable from her husband in the Middle East informed her "All well and safe. Son born."

Mrs. Humphreys smilingly explained: "My husband, who is a baker in the R. A. S. C., is not a father after all."

Enquiries showed that the cable code number 85 was used in error for number 35.

Number 85 means "Son born," number 35 means "Fondest love, darling."

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Other People's Views . . . .

The Canadian Editorial of the Week

Future of Conservative Party

Winnipeg Tribune

A Gallup release shows that, between the election of 1940 and the present time, the Liberal party has slipped from a 55% popularity to 39%; Conservatives have slipped from 31% to 23%, while the C.C.F. has risen from 8% to 21% in popular vote of the country at large. This merely confirms what a majority of observers had already guessed.

Significant, too, is the fact that the vote for "some other party" as against the established ones, has risen from 3% to 11%. Therein lies a story of national frustration and disillusion with our present leaders.

We realize very well that there is a natural tendency toward a progression, from radical to conservative throughout the course of a lifetime. Youth is radical and reformist: age tends to be cautious. But here in the Gallup figures is the story of a striking Conservative failure to appeal to young men and women. It is a failure in leadership, and in organization. It is a complete failure in programme. Who can say, today, what is the Conservative programme for war or for the after-war?

Dissatisfaction with the Liberal party now in power, certainly since last January, is implicit in the figures of the Gallup release. It is evident that the Conservatives have a great opportunity of national service and that, on the present reckoning, they have done little to grasp it. That, in itself, was full justification for the Port Hope round table. It offers every reason, too, why the party "professionals" should meet here in Winnipeg, later on. But both these meetings, at Port Hope and Winnipeg, should lead toward a national convention to clear up, once and for all, the tangle in leadership, programme and organization.

The once-great Conservative party has been virtually voiceless in recent months, during one of the worst crises of Canadian history. Its declining influence is plain for all to see, yet the magnificence of its opportunity is still more plain.

. . .

The Mail-box

The Herridge Suggestion

Editor, The Financial Post:

I read with a certain amount of interest and some dismay of the suggestion by Hon. Mr. Herridge, that the whole Allied War effort should come under one head, his nominee being The President of the United States. The idea is simply without merit in this global war. That, however, is not the gist of my complaint.

I merely want to express my disgust, and I am sure I speak for the great majority of real Canadians, at the attempts of a number of our political leaders who, in their endeavor to ingratiate themselves with our American friends, appear to have nothing good to say about their own country; on the contrary, they seem to spend their time depreciating it, and applauding the efforts of their hosts.

Short indeed are their memories, and immature their mental capacities. May I suggest, sir, that if, among his duties, Mr. Herridge must speak at public gatherings, someone with a little more "Red Canadian Blood" be appointed to prepare the script.

John L. Miller.

Toronto.

. . .

As Others See Us . . .

Spiritual Leadership

Brantford Expositor

"Wars," says The Financial Post, "are really won by the aroused minds and flaming souls of men and women completely devoted to principles in which they believe. Troops, weapons and war materials are but the instrument of a nation's victory." The vital "home front" requirement, The Post declares, is spiritual leadership.

True enough. Such leadership, however, cannot be concocted according to any mere philosophical or psychological formula. It is difficult to define, yet real enough for all that. It springs from what may be termed the soul of the people. Such episodes as that at Dieppe have much to do with engendering it.

. . .

The Lucky Bachelor

Vancouver Sun

Into a budget notable for its courage and fairness, Mr. Ilsley seems to have admitted one serious inequity. The income taxes on married and unmarried men, in the middle income group, do not seem to take into account the cost of maintaining a Canadian family.

The figures, as summarized by The Financial Post, show that a single man with an income of $3,000 pays $1,064 in taxes and has $1,936 left to spend. The married man, with two children and with the same income, pays $668 in taxes and has $2,332 left.

The budget seems to put an enormous premium on bachelorhood. But Canada has always been partial to bachelors. In the last 21 years the only two men who could become Prime Minister were both bachelors.

Sayings of the Week

"One glum, morose ground officer can do more damage than 25 cases of malaria."—*Lt.-Gen. Geo. H. Brett, who leads U. S. Army aviation forces in Australian area.*

. . .

"For Germany to win this war would not merely mean a re-drawing of boundaries or a shift in sovereignty. It would mean the destruction of the free spirit of man." — *Prime Minister Mackenzie King.*

. . .

"Hollywood has been dealt a crushing blow by the war. Picture production has ceased, and the female stars such as Jeanette MacDonald and Shirley Temple have retired to lavish underground caves in the inland mountains of Mississippi River."—*Japanese controlled radio in Manchuria.*

. . .

"Soldiers do not fight because they are paid to do so. They fight because of their manhood, because of the long-accepted belief that it is an honorable and necessary thing for a man to fight for his country and, if necessary, die for it. Nobody could pretend for a moment that any wage would be high enough to compensate a man or his family for the loss of his life."—*J. V. McAree, Globe and Mail columnist.*

Business Faces the Dimout

Sign Companies Hit, and Hundreds of Sign Contracts to Adjust — Dark Theatre Marquees Major Saving

By ARTHUR D. ELLWOOD

Partial blackout scheduled to affect most of Ontario and Quebec on Sept. 20 had a lot of its origin 3,000 miles away almost 2½ years ago.

Norway and Sweden, prior to the German invasion of Norway and the Low Countries, had supplied Great Britain with certain materials, such as alloy steels and abrasives, requiring huge quantities of electric power for their production. This source of supply was cut off and Britain turned to Canada to make up the loss.

The result is that Canadians are now being required to save power, turn off lights and undergo what amounts to a partial blackout in what is termed the "power shortage area" of southern Ontario and Quebec. These products — abrasives, chemicals and alloy steels—which Britain now wants from Canada are all heavy users of electric power.

The result is going to be felt by many types of business as well as the domestic consumer and industry. Wherever outdoor lighting has been extensively used, the effect will be obvious. Streets will become darker and in some towns and cities which depend to a large extent on reflected light from store windows, the dim-out may be extreme.

Sign Companies Hit

Companies in the electric sign business are probably most seriously affected by the latest orders regarding power. All outdoor signs must have their illumination shut off. It will mean renegotiation of contracts in many instances and this is a complicated job. Electric signs are sometimes sold outright, usually with a maintenance contract arranged with the company supplying the sign.

Others are leased or rented under contracts running for several years. In some cases the leased signs may call for the maker to supply the electric power required and maintain the signs. In others the power is supplied by the lessee.

Multiplicity of arrangements possible among the hundreds of contracts for electric signs make it very difficult to get any clear idea as yet regarding the effect of the edict. In many cases, however, some adjustment will have to be made and sign companies are resigned to another substantial cut in their revenues. They have already been hard hit by the requirement that no more signs can be made of metal.

Investment interest in this business is confined to holdings in Claude Neon General Advertising and E. L. Ruddy, both operating in the power shortage areas of Ontario and Quebec. It is pointed out to The Financial Post that additional complications arise from the fact that the government restrictions take effect in the middle of a month rather than at the beginning when practically all sign contracts are dated.

Theatres and retail establishments have always been heavy users of outdoor illumination as a means of attracting business. This will now be eliminated but operators of large department stores and theatre chains both profess themselves undisturbed at the possible effect on their business.

Big Cut For Theatres

One large theatre chain tells The Post that in their first run theatres approximately 30% of the power bill is incurred from the lobby out—the portion of the theatre most affected by power restrictions. It is estimated that all the illumination to be permitted in and around the marquee of a large theatre will be around 250 watts, only a small fraction of what is used under the marquee alone at present.

The theatre chains have already voluntarily placed in effect a programme of curtailment of power use. Famous Players Canadian Corp. estimates that this partial dimout will save about 3,000 h.p. in their chain alone; this is going to be a small matter to what will happen after Sept. 20.

Theatre companies ordinarily own their own signs and do their own repair work with the exception of work involving the neon lights themselves.

It is admitted that there will be a substantial saving in power bills but it will not be a welcome saving. This blackout of theatre lights is striking at the very stock-in-trade of the show business which has always emphasized glaring lights and display as a means of attracting the public. New York has been operating under a partial dimout which has eliminated all large signs for some time, apparently without any noticeable harm to the theatre business. Although Ontario and Quebec are going to come under much more stringent regulations, there seems little fear that business will suffer seriously.

Store Windows Darkened

As for retail stores, there does not seem to be much unanimity as to what will happen. Details of the government order are not yet known although in large department stores preliminary plans have been made to handle the change. Window shopping at night—long emphasized by large stores—will be out entirely as no light will appear in the display windows. Inside the stores there will also be changes with showcases for the most part devoid of artificial light.

An official of The T. Eaton Co. tells The Post that organization has for some time past made it the direct responsibility of some person in each department to watch the lights and make certain that none are left burning when not actually needed.

It is admitted that there will be some saving in power bills but it is pointed out that this is likely to be offset by loss of sales.

Short 400,000 H.P.

Official estimates from Ottawa as to the extent of the expected shortage of power in Ontario and Quebec this fall place it at 400,000 h.p. As officials of Ontario Hydro estimate a shortage of upwards of 300,000 h.p. in Ontario alone, it appears that this province is by far the hardest hit.

Measures to be taken under government order to eliminate use of power for advertising and other purposes are expected to result in a saving of about 140,000 h.p. with about two thirds of this in Ontario. An additional total saving of about 100,000 h.p. is counted on through voluntary co-operation from domestic consumers. Perhaps 160,000 h.p. is to come from cutting off power now used by "non-essential" users whenever necessary.

Altogether this adds up to the 400,000 h.p. required to solve the shortage but it is noted that 25% of this must come from domestic consumers and that no measures are being taken as yet to make this reduction compulsory.

Policing of power users to make certain that regulations are obeyed is being left in the hands of the local electric utility officials. Power is granted to enforce penalties for non-compliance. The whole scheme, however, is thought likely to result in a tremendous amount of confusion, little of which is yet realized, before it becomes workable.

The Week in Business

Reviewing the first seven months of this year, Canada's economic situation has undergone marked changes, most of them upward. Most indicators show gains over the same period of last year with outstanding performances given by iron and steel, manufacturing production generally, cheese production, electric power use, railway activities, employment and banking. Share prices are lower and bond prices higher. Department of Munitions and Supply has placed a smaller value of contracts. Grain marketings are substantially lower. Gold output is down as is butter production. Construction shows large reductions in both building permits and contracts awarded.

Retail sales in July this year were fractionally lower than in June but the index showed a rise of 15.2 from a year ago.

Payroll index computed by the Canadian Bank of Commerce reached 203 in July this year, a gain of two points from June and one of 33 points from July, 1941.

Railway carloadings for the week ended Sept. 5 this year were 5,993 in excess of a year ago. For the year to date the gain is 169,458, or 7.9%. Gross revenues of the two railways also show large gains, the C.N.R. being up 22.4% to Sept. 7 and the C.P.R. up 18.1%.

Sea fisheries in July showed a decline in both amount of catch and landed value as compared with July last year. For the first seven months, however, the catch is up 3.9% in weight and 12.3% in value.

Cotton consumption in July showed an increase of a little more than 100,000 lb. and for the first seven months is up 1.1 million lb., or 1.0%.

	Aug.	July	June	May	Year Ago
The Financial Post business index	....	*163.6	165.7	168.5	164.9
Dom. war expend. (million $)	....	190.4	138.3	204.9	107.8
Dom. total revenue (do.)	....	121.8	115.4	333.9	96.1
Dom. total expend. (do.)	....	350.8	423.6	386.2	146.7
‡Retail sales index no.	....	150.1	150.9	149.1	134.9
Dept. store sales index no.	....	145.1	134.0	140.1	132.5
Wholesale sales index no.	....	154.2	167.5	158.7	147.1
Country store (% change pr. yr.)	....	+10.6	+14.6	+11.7	+8.8
Divd. payment index‡	123.5	122.6	121.8	120.9	118.9
Bank deposits (1926=100)	....	164.8	160.1	167.6	156.4
RAILWAY FREIGHT LOADINGS—					
Tons	....	176.5	188.9	182.3	164.1
Cars	....	148.1	141.4	142.3	139.6
COST OF LIVING—					
D.B.S. index	117.7	117.9	116.7	116.1	113.7
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	175.7	171.7	167.4	157.4
Manufacturing	....	209.5	205.9	202.8	172.4
Payroll (June 1/41=100) (b)	....	130.0	125.5	124.0	103.9
*Payroll index (a) (1937=100)	....	203	201	196	170

	1942	1941	1942 (Jan. 1 to date)	1941 (Jan. 1 to date)	% Change
RAILWAYS—					
*Carloadings (week Sept. 5)	67,537	61,544	2,291,588	2,122,130	+7.9
*C.N.R. gross (week Sept. 7) $	7,307,000	5,847,000	244,274,000	199,560,000	+22.4
*C.P.R. gross (week Sept. 7) $	4,455,000	4,266,000	169,468,000	143,455,000	+18.1
C.N.R. net revenue (July) $	7,732,147	4,916,312	45,751,017	37,024,523	+23.6
C.P.R. net revenue (July) $	3,286,451	3,195,419	25,216,534	23,115,113	+9.0
IRON AND STEEL—(July)—					
Pig iron production (tons)	172,152	114,425	1,146,153	814,862	+40.7
Steel ingots and castings prod. (tons)	256,560	220,994	1,815,798	1,507,141	+20.4
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales (July)	712	8,305	14,756	64,388	—77.1
Trucks and Buses:					
Domestic sales (July)	290	3,997	12,107	23,767	—49.1
Financing:					
Used (July) $	1,944,274	5,725,016	11,660,309	34,952,603	—66.6
New (July) $	291,045	3,476,182	5,503,691	26,151,331	—79.0
CONSTRUCTION—					
Contracts awarded (Aug.) $	31,771,200	36,129,300	198,811,800	283,550,700	—29.8
Cement prod., bbls. (June)	1,076,733	958,889	3,469,176	3,351,121	+3.5
AGRICULTURE—					
Flour prod., bbls. (July)	1,590,219	2,118,986	11,315,427	12,133,485	—6.7
Cattle sales (Aug.)	98,176	110,413	708,029	695,702	+1.7
Hog sales (Aug.)	331,246	341,833	3,939,989	3,652,587	+7.8
SEA FISHERIES—					
*Catch cwts. (July)	1,208,300	1,630,000	5,576,000	5,362,900	+3.9
*Landed value (July) $	4,088,600	4,960,000	14,179,000	12,615,000	+12.3
NEWSPRINT—					
*Production, tons (Aug.)	253,239	293,054	2,152,591	2,207,671	—2.4
Exports (May) $	11,888,000	12,572,000	62,153,000	56,489,000	+10.0
MINING AND OILS—					
Coal prod., tons (July)	1,474,462	1,214,319	10,939,326	9,676,067	+13.0
Gold rec., fine oz. (July)	431,435	453,184	2,801,623	2,992,063	—6.3
Petroleum prod., brl. (June)	1,180,713	818,000	5,568,700	4,873,000	+14.2
ELECTRIC POWER OUTPUT—(June)—					
Total monthly, 1,000 k.w.h.'s	2,985,655	2,661,145	21,578,029	18,393,530	+17.3
FOREIGN TRADE—†					
Imports (Apr.)	$141,946,063	106,268,419	548,514,620	402,264,731	+36.3
Exports (Apr.)	169,997,596	118,393,094	667,451,667	410,828,290	+62.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (May)	172,854	152,756	701,305	782,052	—10.3
*Shoes, prod., pr. (July)	2,597,862	2,883,741	19,091,132	17,840,663	+7.0
*Cotton consump. lb. (July)	17,012,696	16,908,354	116,639,598	115,528,569	+1.0
Cigarette cons., No.† (July)	843,605	772,165	5,479,226	4,580,845	+19.6
Sugar manufactured .. lb.§	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† (July) $	3,704,133	3,241,707	25,295,840	22,051,806	+14.7
Bond sales† (July) $	218,966	111,334	2,237,252	1,684,950	+32.8
Life insurance sales (July) $	44,868,000	32,681,000	283,648,000	231,447,000	+22.6

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
*Total at yards and plants.
†000's omitted. §For four weeks to Dec. 31. ‡Gold excluded.
*Supplied by Nesbitt, Thomson & Co. *Final.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Save Your Money

● Be prepared! Be prepared for any eventuality. Common prudence is a virtue more in demand today than ever before. Line yourself up with the war effort for this is prudent as well as patriotic.

Watch your savings balance. There will be income taxes—War Loan subscriptions—War Savings and many other necessary demands—but watch for non-essentials. We don't need so many THINGS—we need reserves—in materials in men and in money.

Be prepared and keep your savings account with one of our branches.

IMPERIAL BANK OF CANADA

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BRANCHES THROUGHOUT CANADA

281

New Wartime Regulations

Post Summary of Latest Rulings From Ottawa

MILK AND CREAM. W.P.T.B. order 172, Sept. 1, regulates the retail and wholesale prices of milk and cream in the Vancouver area. Chairman, W.P.T.B., Donald Gordon.

* * *

STEEL PIPE. M. & S. order S. C. 15, Sept. 1, prohibits the use of steel pipe for the manufacture, maintenance or repair of a large number of articles. Except for certain persons a permit in writing is needed to purchase steel pipe. Steel Con., F. H. Kilbourn.

* * *

BURNING OIL. M. & S. order 004A, Sept. 1. Without a permit in writing no person may install or replace any oil-burning engine, boiler, furnace or stove except farmers or for the operation of any naval or mercantile vessel. Oil Con., G. R. Cottrelle.

* * *

UTILITIES AND COMMUNICATION SERVICES. M. & S. M.C. 23, Sept. 1. Except in certain specified cases no utility shall put into use any non-ferrous metal whether from stock or otherwise without a permit. Metals Con., G. C. Bateman.

* * *

RAILROAD STANDARD WATCHES. W.P.T.B. order 181, Sept. 1. No one can purchase a new railroad standard watch without filling out an essentiality certificate and every seller of new railroad watches must report the number in his possession on or before Sept. 5. Chairman, W.P.T.B. Donald Gordon.

* * *

NEWSPRINT, W.P.T.B. order 170, Sept. 2, gives the newsprint administrator power to co-ordinate all problems affecting the newsprint industry. Chairman, W.P.T.B. Donald Gordon.

* * *

CANNED CORNED BEEF. W.P.T.B. order A-378, Sept. 4, revokes orders A-220 and A-228. Every retailer who has more than 47 twelve-ounce tins and/or 11 six-pound tins must return to a distributor all excess quantity and all distributors must ship to storage places specified by the Commodity Stabilization Corporation all stocks of canned corned beef. Adm. of Foods, J. G. Taggart.

* * *

PIANOS AND ORGANS. W.P.T.B. order A-377, Sept. 4. Manufacturers, but not retailers, may charge not more than 5% in excess of the highest prices paid in the basic period. Adm. of Furniture, J. E. Ferguson.

* * *

TYPEWRITERS. W.P.T.B. Order A-379, Sept. 5, amends order A-194. No manufacturer or dealer may sell in the 12-month period ending May 31, 1943, more than 65% of the total unit sales made in calendar year 1941, or more than 65% in any one month of the total sales made in the corresponding month of 1941. Co-ordinator of Metals, D. P. Cruikshank.

* * *

FUELWOOD. W.P.T.B. order 34, Sept. 5. No person in that part of the province of B. C. lying west of the summit of the Cascade Range of mountains shall send to a sawmill burner, or manufacture into hogged fuel, any material of Douglas Fir usable as domestic wood fuel.

* * *

MATERIALS FOR PACKING & SHIPPING. Priorities release, No. 3, Sept. 5, amends P-100. No material of any nature that is to be used for packing or shipping purposes may be ordered with the A-10 preference rating assigned under the terms of this general, Repair, Maintenance and Operating Supplies Order (P-100.)

* * *

LOOSE LEAF SHEETS, INDEXES AND FORMS. W.P.T.B. order A-384, Sept. 5, regulates the sizes, colors, weights and qualities of paper, etc., for loose leaf sheets, indexes and forms. Adm. of Converted Paper Products, N. E. Wainwright.

SUGAR RATIONING. W.P.T.B. order 176, Sept. 5. This order sets forth the sugar rationing which took effect Sept. 7. Chairman, W.P.T.B. Donald Gordon.

* * *

TEA AND COFFEE RATIONING. W.P.T.B. order 177, Sept. 5, sets forth the conditions under which tea and coffee may be purchased after Sept. 7. Chairman, W.P.T.B. Donald Gordon.

* * *

CIRCULAR KNIT HOSIERY. W.P.T.B. order A-383, Sept. 5, limits the colors and packaging of circular knit hosiery which may be used by manufacturers. Adm. of Knitted Goods, H. G. Smith.

* * *

FILING CABINETS. M. & S. order C. S. 29B, Sept. 7. On and after Sept. 1 no person shall use metal to make any filing cabinets, card index cabinets, shelving lockers, sales, visible record equipment without a permit. Order C. S. 29 also amended. Con. of Supplies, A. H. Williamson.

* * *

ATLANTIC TUNA FISH. W.P.T.B. order A-380, Sept. 8. This puts canned Atlantic Tuna Fish under the price ceiling and regulates the maximum price which any wholesaler or retailer may charge. Adm. of Foods, J. G. Taggart.

* * *

FUELWOOD. W.P.T.B. order 35, Sept. 8, sets forth the maximum price for fuelwood in certain counties of Ontario. Adm. of Coal, J. McG. Stewart.

* * *

PILCHARDS. W.P.T.B. order A-381, Sept. 8. The maximum price which any wholesaler or retailer may charge for canned pilchards caught off the Pacific Coast is regulated; canned pilchards now come under the price ceiling. Adm. of Foods, J. G. Taggart.

* * *

SALMON, SOLES, BRILLS AND WITCHES. W.P.T.B. order A-382, Sept. 8. Frozen salmon, fresh and frozen soles, brills and witches caught in Pacific Coast waters are now under the price ceiling. Adm. of Foods, J. G. Taggart.

AUTOMOTIVE REPLACEMENT PARTS. Priorities release, No. 6, Sept. 10. W.P.B., Washington, has issued Amendment No. 2 to Limitation Order L-158 providing that manufacturers of automotive replacement parts may schedule production as if orders received by them had a rating of AA-2X.

* * *

FEEDING OILS. W.P.T.B. order A-388, Sept. 10. Processors of feeding oil are allowed to process feeding oil in only four types. Adm. of Oils and Fats, Mrs. P. G. Turner.

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PLASTICS in the WAR ...and in the future

The curved and crystal clear windows of a bomber . . . the fuse cap of an anti-aircraft shell . . . the instrument housing of a ship's controls . . . these and many other vital components of Canada's war machines are today being made of *plastics*. . . For *plastics*—the varied and versatile family of synthetic materials which have been developed by science out of coal, air, water, salt and limestone—are today in "Battledress" . . . simplifying production . . . solving construction problems . . . speeding output . . . conserving metals . . . releasing machine tools . . . saving many thousands of man hours!

Under the impact of war, *plastics* are forging ahead rapidly. When peace returns these developments will be available for a myriad of domestic applications . . . plastics for *building* . . . plastics for *planes and cars* . . . plastics for *furniture* . . . plastics for *clothing* . . . And remember—leading the *plastics industry* in Canada, with the longest experience and with large production and processing facilities, is Canadian General Electric.

If you have a problem in war production which plastics might possibly solve, call your nearest C.G.E. office.

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MD-142

Canada's Community Chests — Charity Plus Efficiency

With a Record of $57 Millions Collected Since the Chests Began in the Last War, Canada's Co-operative Charities Are Preparing to Meet the Heavy Burdens of 1943

By KENNETH R. WILSON

This month a score of Community Chests throughout Canada are appealing to Canadian business men and citizens for $4 millions with which to carry on their 1942-43 operations. Other cities are staging joint appeals to finance community welfare organizations over the next 12 months.

The money thus raised will finance nearly 500 individual member agencies which use the proved "Chest" method of co-ordinating their work and pooling campaign costs. Apart from the Red Cross, these campaigns represent the bulk of funds which will be collected from Canadians by voluntary annual appeal.

There are seven additional community chests in Canada which hold spring campaigns. These chests raised over a million dollars in 1942. Their appeals were oversubscribed by almost 16%. In some communities the Salvation Army and the Y.M.C.A. are still holding separate drives to finance their peacetime activities, but more of these local organizations are included in Chest budgets this year than at any previous time.

Efficiency Keynote

Today the problem of financing the voluntary welfare agency is enlarged as taxes and appeals for voluntary saving increase. The Chests now holding their fall campaigns, have willingly changed their customary campaign dates to clear the way for the Victory Loan in October. Their appeals are based essentially on the importance of maintaining and strengthening the family unit and the "home" front in time of world conflagration. This is highlighted in the 1942 national Community Chest slogan: "Preserve the Homes They Fight For." As well, the Community Chest has a further claim, the proved record of this type of organization as an economical, efficient method of directing the attack on community social problems.

Figures prepared for The Financial Post by the Community Chest Division of the Canadian Welfare Council at Ottawa show that for the whole of Canada, the money which flows into Chest coffers is being spent roughly as follows:

1. Family welfare .... 26.1% (Including care of the aged)
2. Child care and protection 23.3%
3. Health services .... 26.0% (Costs vary from 20 to 32% in different cities)
4. Youth-training, recreation, social development in group activities, summer camps, etc. 18.6%
5. Central services: Year-round administrative costs, collection of pledges, campaigns, etc.. 6.0%

100.0%

This last figure of administrative costs is important. It is one of the basic reasons why the Community Chest idea has grown and expanded both in Canada and in the United States. What it means is that the entire overall cost of a central Chest or clearing house for community welfare work, can be financed at a very low figure—the national average is 6 cents on the dollar. This includes the cost of financial campaigns. Actual campaign costs under Chest procedure run as low as 2%. This compares with figures which may be 15 to 45% in the case of individual, local agencies. (Until control was exercised at Ottawa under the War Charities Act, the cost of raising funds for individual war charities ran in some instances as high as 75 cents on the dollar).

Began in Last War

The year 1942 is significant in Canadian "Chest" history. It is just 25 years since two cities—Montreal and Toronto—pioneered in the establishment of the Canadian Community Chest movement. In these 25 years the Community Chests of Canada have collected and disbursed no less than $57.5 millions. In addition nearly $2 millions has been raised by these Chests for war appeals since Sept., 1939.

The Chest idea grew out of the First World War. It was natural that at a time of crisis, individual welfare agencies should seek strength through common effort. The first move was made in 1917. The present war and the depression which preceded it, have given further impetus to the movement. Since 1931, Ottawa, Regina, Victoria, Saskatoon, Joliette, Lachine, Sherbrooke, Oshawa, Brandon, Galt, Guelph, London, Calgary, Peterborough, Sarnia, Trail, Edmonton, Kingston, Lethbridge, Kitchener, Waterloo, Niagara Falls and Saint John, N.B., have joined the Chest family.

With two exceptions (Windsor, Ontario, and Quebec City) Chests are now established in every Canadian community with over 100,000 population. In both Windsor and Quebec, joint campaigns of the Y.M.C.A., the Y.W.C.A., Salvation Army and some additional organizations are planned.

The nub of Chest procedure is that each year each member agency presents to the Chest not merely a request for funds, but a budget approved by its own board of directors. The Chest, in determining the amount to be allocated to the agency, must examine and approve that budget. This involves fact-finding and broad community planning. It is this co-ordinated effort which chiefly distinguishes the Community Chest from other joint appeals.

Flexible Setup

All Canada's Chests include in their membership the basic social services. In each city, family welfare and child care agencies belong to the Chest, as do leisure-time organizations. But there is no rigidity in Chest membership. Rather there is the advantage of flexibility which permits the inclusion of agencies capable of meeting the special need of each community.

The Canadian family and its protection and maintenance represents the major responsibility of modern social work. More than 50% of Chest expenditures centre around family welfare and child care and protection. In this area the war has made increased demands upon Chest agencies. Typical problems include: giving aid and counsel to soldiers' families; advising the wives of enlisted men on how to cope with debt, sickness or bereavement; providing day nursery care, home nursing and so forth.

Chest agencies have been called on to play an important role in regard to soldiers' dependents. This role has been officially recognized and endorsed by the Dependents' Allowance Board of the Department of National Defense. Social agencies have been called upon by this board to make special investigations and to administer allowances in the interests of the family as a whole. Problems which arise touch every phase of child and family welfare.

Many of the Chest budgets for 1942-43 are higher or equal to those of previous years. How can this be justified in face of the fact that relief and other costs and responsibilities of depression years have largely disappeared?

New Burdens

Analysis of individual budgets shows that most of the increases are due to the inclusion of additional agencies — the combining of appeals which were formerly made individually and outside the Chest organization. For example: Vancouver this year is asking for $500,000 in place of only $400,000 a year ago. The larger figure includes 11 Catholic agencies which have not made a public appeal for two years, plus a 16-month allocation to the Salvation Army for its peacetime work. (Estimated campaign and collection costs for this $500,000 in Vancouver are only $17,000, little more than 3%).

In Halifax, the budget is up from $60,000 to $110,000 because the present campaign includes the Canadian National Institute for the Blind, the Boy Scouts and the peacetime work of the Salvation Army and the Y.M.C.A.

Ottawa's budget is up $20,000 to $180,000 due almost entirely to increased demands from the Children's Aid Society which has faced a heavy additional load due to war conditions, housing congestion, etc.

In Montreal the Financial Federation has kept its appeal objective at the same figure as last year despite an $80,000 increase in costs. Victoria's budget is up from $69,500 to $85,000 to include a 16-month allocation to the Salvation Army. In London, Ont., the inclusion of the Y.M.C.A. and the Salvation Army has raised the Chest budget from $53,000 to $90,000.

The Federation for Community Service in Toronto is this year adding the Y.W.C.A. in its appeal. As well, it is running into higher operating costs in common with many other Chest organizations. In general many welfare organizations (which are outside the wage ceiling) have found it necessary to increase salaries in order to hold their organizations together and meet wartime responsibilities.

Most Chests report offsetting savings. In Vancouver, for instance, a property operated for unemployed men has been closed; the Victorian Order of Nurses is relying less on voluntary contributions because patients are able to pay more for their services.

A Few of the Members

Who are some of the member "agencies" which operate through Canada's Community Chests?

The largest Chest in Canada is the Montreal Financial Federation with a record of $13 millions raised since its inception in 1922. Montreal has another distinction, a French-Canadian Chest — Le Federation des Oeuvres de Charité Canadiennes-Francaises. This was one of the first developments of modern, organized social work among the French-speaking population of Canada. It has been in existence for nine years and its growth has been extraordinary. It launched its first appeal for funds in 1933 and collected $183,336. Its ninth campaign (this spring) brought $513,000.

In Ottawa there is a unique, dual Protestant-Roman Catholic Chest which has had a highly successful career.

In family welfare (where 26 cents of the Chest dollar is spent) a typical organization is the Neighborhood Workers Association of Toronto — largest non-sectarian family welfare association in Canada. This association has 36 full-time social workers serving seven districts. In 1941, it worked with 3,004 families involving 14,669 persons of which more than one third (1,117) were families of men enlisted in the present war. This association also operates the largest fresh air camp for children and adults in North America. There are four such family welfare associations in Montreal, serving English and French, Catholics, Protestants and Jews.

Child Care Vital

In the field of child care and protection (which takes 23.3 cents of the Chest dollar) Canada has a unique and renowned institution, the Children's Aid Society, first created under the child protection legislation of Ontario in 1893, and now existing in all provinces except Quebec, where the system differs by reason of the Civil Code. There are now over 90 Children's Aid Societies or protection bodies in Canada. The Society at Toronto has 35 social workers on its staff; is caring for several hundreds of soldiers' families where serious problems exist which threaten the integrity of the family group. According to R. E. Mills, executive director, the war has increased the work of this agency by 100%.

In the health field—20 to 32 cents out of the Chest dollar depending on conditions in the individual community—an outstanding example of community service is the Victorian Order of Nurses which is a member of the Community Chest in more than a score of leading Canadian cities. The order has 97 branches in Canada dedicated to the care of the sick in their own home through visiting nursing. Every V. O. nurse is a registered nurse with post-graduate training in public health nursing.

The order provides community service available to everyone in the area served, regardless of race, creed or economic status. In June, 1940, Miss Elizabeth Smellie, chief superintendent of the order, was called into the Canadian army as Matron-in-Chief. In the last two years 21 nurses have been called for active duty and the order has been asked to staff First Aid Stations and provide nursing service for the Wartime Shipping Foundation. In 1941 this order made 47,627 visits to members of families of the armed services. Of the 727,161 visits made during 1941, 54% were made free.

New Jobs for the "Y"

Most Chests this year include the peacetime activities of the Y.W.C.A. and the Y.M.C.A., both of which must be financed outside the national War Services Fund. War needs have increased costs and responsibilities. Last year in one "eastern Canadian port" more than 27,000 wives and men in the [illegible] and its facilities. Its Travellers Aid bureau found 2,610 rooms—half of which were for service men and their families. The "Y.W." is administering camps for girls who serve on the Farm Service Force—Canada's Land Army. Since the outbreak of the war the Y.M.C.A. (a member agency of the Chests in Niagara Falls, Ottawa, Winnipeg, Regina, Saskatoon, Victoria and Vancouver) threw open its facilities in 72 buildings from coast to coast to the men of the armed forces.

The Canadian Institute for the Blind is a member of Community Chests in 20 cities and one of the most constructive and extensive organizations of its kind in the world. Apart from the contribution of thousands of knitted articles by blind womenfolk all over Canada who register and work through the C.N.I.B., the Institute's factories have made an important contribution in war materials and supplies. Institute brooms and brushes are widely found in war plants; the Canadian Army Medical Corps in Britain uses panniers made by blind men in Canadian factories. Air force targets and specially designed mats for army and air force motor vehicles are also made by the blind. The Institute is also doing important preventive work in recommending the use of visual safeguards in Canadian factories.

Through the whole story runs a note of increasing prestige and influence for the community chest, as an efficient, economical method of co-ordinating and regulating organized community social welfare. This method of operation has now a proved record for stability and economy. It is the refuge to which many agencies come at a time when new and onerous taxes put a premium on all types of voluntary saving. It safeguards both the contributor and the social well-being of the community itself.

Designed by a Canadian artist, A. Sherriff Scott, A.R.C.A., of Montreal, this striking national poster for Canada's fall Community Chest campaign has been adopted this year to lead off the fall campaigns for funds now being held in a score of cities throughout Canada. This is the first occasion on which Canadian chests have used a single national slogan and national poster design. The poster design was considered so effective that its use has been requested by Dayton, Ohio.

Community Chest Calendar

Canada's growing roster of community chests and joint appeals for community social welfare has now risen to the highest mark in the history of this movement. As in 1914-18, when the community chest idea was born, so in this war the pressure of world events has given new impetus to co-ordination and efficiency of operation.

The following table shows the 24 community chest campaigns and four Joint Appeals which are currently planned for this fall. These campaigns will finance some 490 member or associated agencies who are appealing for something over $4 millions to carry on their work in 1943:

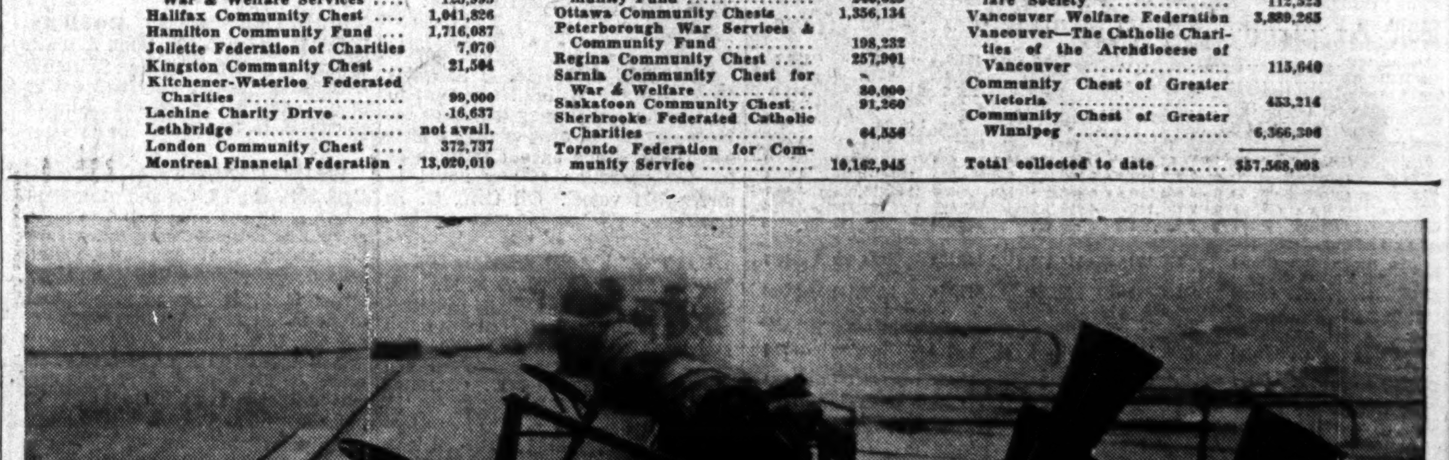
		CAMPAIGN DATES
Edmonton Community Chest ...	27 member agencies	Sept. 21 - Oct. 3
Guelph Community Chest for War & Welfare Services	12 member agencies	November
Halifax Welfare Fund:		
Chest	17 chest agencies	Sept. 28 - Oct. 3
Salvation Army, C.N.I.B., Boy Scouts, Y.M.C.A.	4 member agencies	
	21 member agencies	
Hamilton United Home Front:		
Hamilton Community Fund	21 member agencies	Sept. 21 - 29
Navy League, Boy Scouts, Y.M.C.A., Y.W.C.A., Salvation Army	5 member agencies	
	26 member agencies	
Joliette Federation of Char.	4 member agencies	Sept. 28 - Oct. 3
Kingston Community Chest	10 member agencies	Sept. 14 - 28
Lachine Charity Drive	4 member agencies	November
London Community Chest	13 member agencies	Sept. 21 - 26
Montreal Financial Federation ...	32 member agencies	Sept. 14 - 22
Montreal Federation of Catholic Charities	24 member agencies	Sept. 28 - Oct. 3
Montreal Federation of Jewish Philanthropies	13 member agencies	Sept. 14 - 24
Niagara Falls Community Chest ..	7 member agencies	Sept. 21 - 28
Ottawa Community Chest	22 member agencies	Sept. 28 - Oct. 3
Quebec City	3 member agencies	Sept. 21 - Oct. 2
Regina Community Chest	15 member agencies	Sept. 21 - 30
Sarnia Com. Chest for War Wel. ..	8 member agencies	No information
Saskatoon Community Chest	13 member agencies	Nov. 16 - 27
Sherbrooke Federated Catholic Charities	5 member agencies	No information
Toronto Federation for Community Service	31 member agencies	Sept. 23 - Oct. 2
Toronto Federation of Catholic Charities	14 member agencies	Sept. 13 - 19
Toronto United Jewish Welfare Fund	45 member agencies	Sept. 17 - 22
Vancouver (Greater Vancouver War Chest) includes:		Sept. 15 - 30
Vancouver Welfare Federation .	44 member agencies	
Federation of Catholic Charities	11 member agencies	
Salvation Army	1 member agency	
	56 member agencies	
Victoria—Community Chest of Greater Victoria	22 member agencies	Sept. 21 - 30
Salvation Army	1 member agency	
	23 member agencies	
Community Chest of Greater Winnipeg	25 member agencies	Sept. 14 - 26
JOINT APPEALS:		
Belleville, Ont.	3 agencies	Sept. 21 - 26
Moncton, N.B.	4 agencies	Sept. 21 - Oct. 2
Owen Sound, Ont.	3 agencies	Sept. 9 - 15
Timmins Welfare Fed.	6 agencies	Sept. [illegible]

Joint Appeals Raise $57.5 Millions

Since the first Community Chests were founded in Canada in 1917, over $57.5 millions has been collected through these organizations which now operate in 20 key cities throughout Canada. These chests have also collected and turned over an additional $1.8 millions for war appeals.

Included in the following figures are the amounts collected in 1942 by chests which hold their fund-raising campaigns in the spring. Fall campaigns are shortly to be launched by 24 or more communities across Canada.

Name of City and Fund	Total Collections				
Brandon Community Chest ...	$ 48,800	Montreal Federation of Catholic Charities	2,134,536	Toronto Federation of Catholic Charities	1,759,926
Calgary Community Chest	521,597	Montreal Federation of Jewish Philanthropies	6,983,377	Toronto Federation of Jewish Philanthropies (comprising 22 of 45 member agencies of United Jewish Welfare Fund of Toronto)	2,232,365
Edmonton Community Chest ..	102,040	Montreal Federation des Oeuvres de Charité Canadiennes-Francaises	3,843,586	Trail District Patriotic & Welfare Society	112,523
Galt War and Community Services Assn.	133,000	Oshawa Win the War & Community Fund	240,029	Vancouver Welfare Federation	3,889,265
Guelph Community Chest for War & Welfare Services	125,995	Ottawa Community Chests	1,356,134	Vancouver—The Catholic Charities of the Archdiocese of Vancouver	115,640
Halifax Community Chest	1,041,826	Peterborough War Services & Community Fund	198,232	Community Chest of Greater Victoria	453,214
Hamilton Community Fund ...	1,716,087	Regina Community Chest	257,901	Community Chest of Greater Winnipeg	6,366,306
Joliette Federation of Charities	7,070	Sarnia Community Chest for War & Welfare	80,000	Total collected to date	$57,568,093
Kingston Community Chest ...	21,504	Saskatoon Community Chest ..	91,260		
Kitchener-Waterloo Federated Charities	99,000	Sherbrooke Federated Catholic Charities	64,556		
Lachine Charity Drive	16,637	Toronto Federation for Community Service	10,162,945		
Lethbridge	not avail.				
London Community Chest	372,737				
Montreal Financial Federation .	13,020,010				



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An Industrial Giant Plots Its Future

With the Tools at Hand, and With Any Time Left Over From Its War Production, General Electric Tackles Its Postwar Problem

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Shortly after the fall of France in 1940, when it had become obvious that there was at least some possibility of the United States being involved in a shooting war, Mr. Charles E. Wilson, president of the General Electric Co., appointed two special committees. The first committee, known as War Projects Committee, was given responsibility for organizing the activities of the company for war production.

The work of this committee, under the leadership of its chairman, Vice-president Chester H. Lang, is reflected in an increase in the number of workers employed by the company from 70,000 at the beginning of 1940, to 123,000 in Dec., 1941. Almost 100% of the company's output is now directly geared to war production of one kind or another, the output of civilian products has almost ceased.

The second of these special committees appointed by Mr. Wilson was termed the Special Planning Committee. This committee, under the leadership of David C. Prince, vice-president in charge of commercial engineering, has been assigned responsibility for planning what the General Electric Co. is to do after the war. It is composed of representatives from research, engineering, manufacturing, commercial and accounting departments, and therefore includes all of the broad activities of the company. All told there are twelve members of this committee, but of these only three spend a substantial amount of their time—but not their entire time—on matters concerned with postwar planning. The remaining nine members contribute advisory services on special types of company activities with which they are most familiar.

Tools At Hand

There is ample evidence that the means are now available for building a postwar economy of opportunity of abundance in this country; that the necessary tools can be developed whereby the individual units in industry, trade and other business activities can measure what their contributions to the total national output should be. Such yardsticks can be applied in an entirely democratic manner.

This article is principally concerned with a description of how one company has approached the problem of postwar planning through applying the necessary yardsticks to its own business.

As a starting point an attempt should probably be made to state the objectives of postwar planning. What sort of world should the postwar world be? The Atlantic Charter states that opportunity is to be afforded to the people of all countries to develop their own economies. Development implies expansion and, when a country's facilities or trade are expanding, it follows that there is going to be opportunity for its people to work, prosper, and to advance. If such conditions are sustained throughout the countries of the world, it follows that there must be an America in which there will be opportunities for men to obtain work, to start companies, to build for the future, and to "climb to the top" as their increased experience fits them for more responsible positions.

It may be argued that these are the conditions that our so-called "Free Enterprise Systems" are supposed to provide and that they have failed to provide them.

In the work of the Special Planning Committee, a group of men in the General Electric Company have attempted to exhibit enterprise concerning this planning of the company's future activities.

First Step

The special Planning Committee first considered some broad questions relating to national economics. First step was to obtain a picture of the country's total output of goods and services for the year 1940.

Gross national output of goods and services for that year amounted to $82 billions. About $63 billions of this represents the production of consumer goods and services at retail prices—food, clothing, rent, articles required in household operations, consumers' durable goods such as automobiles, household furniture and electrical appliances.

The remainder, amounting to almost $19 billions represents production of producers' goods and residential construction, public works, etc.

This total of $82 billions was produced by 47 million people, working an average of 39 hours a week, for a total of 94 billion man-hours of work.

Now let us look at the gross national output the committee has estimated for the year 1943, amounting to $115 billions. This figure was arrived at by estimating the possible increase in civilian employment, the prospect of increase in the United States armed forces, the possibilities of lengthening the work week.

Analysis of these factors indicate that total employment will amount to 61 million people by 1943. This increase in employment, together with a longer work week, should permit us to produce $115 billions of goods and services in 1943 or 40% more than in 1940. All figures were expressed in terms of 1940 prices so that the comparison is of physical output rather than of money value.

War production will amount to $61 billions, leaving only $54 billions for civilian production.

A gross national output of $115 billions will provide the basic materials, the power and transportation facilities, needed to provide full employment to everyone willing and able to work after the war. Physical capacity to provide full employment will be an important asset brought into being during the war period.

In 1940 the United States not only lacked the volume of expenditure on producers' goods needed to achieve full employment but also lacked the physical plant capacity required for full employment because the country had neglected the expansion of its plant facilities during the 1930's.

"V Plus 2"

Without in any way disregarding the problems of adjustment, the committee decided to give its first attention to a year sometime after the end of actual fighting and agreed to call this year "V plus 2," "V" to represent the year in which victory is achieved and the "2" two years later.

Full employment relative to the normal labor force after the present war will mean total employment of 57 or 58 million people. Translating this amount of employment into the physical output produced by a 40-hour week and taking into account anticipated improvements in productive efficiency, the nation should have as its objective a gross national output of $110 billions for the year "V plus 2."

How could the nation create and use such an output? The future American economic system, by whatever name it may ultimately come to be known, will probably have a good many of the earmarks of a free enterprise system in order to retain the rate of advancement which comes about through the exercise of individual initiative. At the same time the United States may well wish to retain many of the controls introduced during the 1930's, because it is desirable to eliminate the excesses and shortcomings of the "laissez-faire" era.

In the postwar era a yearly expenditure of $7 billions for national security is suggested. This expenditure, great as it is, will be a sound investment if peace can be maintained in the world and if American ideals of liberty and enterprise can be extended and developed.

Good Neighbor

In addition to producing for defense the United States must also develop its good neighbor policy with foreign countries. Economic development in one country cannot progress too far ahead of another under our modern methods of transportation and communication without leading to a state of inequality and ultimately to war. About $3 billions is allowed for helping some of the relatively undeveloped countries to advance their economic development more rapidly.

We are there left with $100 billions out of our total of $110 billion. Since the objectives are full use of resources in creating a higher standard of living, a proper balance must be maintained between the production of those goods and services which people use, such as food, clothing, and automobiles, and the production of those goods which provide the means for raising the standard of living, such as machinery, residences, and public works. Past records show that in order to make full use of the existing labor force, it is essential that more than one-fifth of the total potential output of that labor force must be used for the construction of permanent structures, such as factories, homes, roads, and so forth.

In most years of the 1920's, capital formation was over 20% of the gross national output and reasonably full employment existed. In the 1930's capital formation was less than 20% of the gross national output and mass unemployment existed.

23% For Capital

Thus to produce full employment in the postwar period we have estimated that around 23% of total output must be capital formation or $26 billions. This means $3 billions to be invested in foreign countries, $23 billions to be invested in factories, homes and public works in the United States, about $13 billions of which should be spent, on the basis of past experience, for private producers' plant and equipment and normal expansion of inventory.

Another $6 billions is allotted to 1.5 million new homes each year and $4 billions for public works.

For every dollar that the Federal, state, and municipal governments spend on public works in trying to keep up employment, private individuals or corporations together should spend nearly $5.

With national security expenditures of $10 billions and domestic capital formation of $23 billions, these expenditures should generate enough buying power to support a total of $77 billions for the production of consumers' goods and services. Past relationships show that about $13 billions of this should represent consumers' durable goods and $64 billions should be produced in the form of food, clothing, and other services.

Subsistence Income

To obtain this relationship, it was necessary to estimate income above subsistence levels since sales of consumers' durable goods are dependent upon the income which people have after paying for food, clothes, shelter, heat, etc.

	Sales of Consumer Durable Goods $ Billions	% of Income above Subsistence
1929	9.2	20.4%
1935	5.5	18.9
1936	7.0	18.6
1940	8.3	18.6
"V plus 2"	13.0	19.4

To define the company's own problems more specifically, General Electric's Special Planning Committee examined the relationships among the components of gross national output which affect the various parts of the electrical industry and the output of electrical manufacturers. We found that such relationships were fairly definite and that if we know the size of these components, we can determine how much business there will be in electric equipment, appliances, lamps, and other products which the electrical industry makes.

Year	Total expenditures for Plant Equipment (In millions)	Expenditures for Electric Equipment (In millions)	% of Expenditures for Equipment	Expenditures for Household Durable Goods	Sales of Appliances and Radios (manufacturers' selling price)	% of Expenditures for Household Durable Goods
1929	$5,600	$710	12.7	...	...	...
1935	3,090	350	11.3	$3,350	$360	10.1
1937	5,280	686	13.0	5,000	533	10.7
1939	4,230	580	13.7	4,700	472	10.0
1940	...	...	...	5,300	572	10.8
"V plus 2"	3,050	1,072	12.9	8,380	865	10.4

Another table shows the method used in estimating the total postwar market for non-defense commercial electric equipment such as that manufactured by General Electric, and for sales of radios and appliances. A similar procedure was followed in estimating the postwar market for other products such as construction materials and lamps.

ESTIMATED DEMAND FOR ELECTRICAL PRODUCTS—"V PLUS 2"
(At manufacturer's selling price—in millions of dollars.)

Total for electrical industry	$3,849
Apparatus not made by General Electric or associated companies	838
Made by General Electric Assoc. Cos.	117
Made by General Electric (defense)	300
Made by General Electric Commercial (domestic and export)	1,072
Appliances	595
Radios	270
Construction materials	183
Air conditioning and commercial refrigeration	225
Lamps	120
Plastics	129

These projections show that some parts of General Electric's business will be far greater than at the present time, others will be smaller, and still others will be little changed.

A general picture of the company as a whole, however, is not sufficient. The business must be analyzed by departments. The contribution which the company can make to postwar planning is a summation of the contributions which each department, and the individuals in each department, can make to the problem.

It was found that each major line of electric equipment represented a reasonably constant percentage of the total output. For example, the type of equipment represented by Department A had always been about 8% of the total expenditure for electric apparatus. This percentage would give a total market of about $90 millions for the products made by Department A in the year "V plus 2."

Department A normally obtains about 25% of the available business. On this basis it would have obtained $22 millions. Its facilities, however, have been built up by the war expansion to a point at which its output is $30 millions. Thus, an excess working capacity of $8 millions, which represents the work of about 1,100 people is anticipated.

The problem to be faced by Department A is this: Can it provide work for an additional 1,100 people through expanding its field of operation by new products, by lowering prices, or by improving its sales or manufacturing methods?

While Department A has a problem of finding more business, Department B has a problem of expanding its facilities. This department estimated that it would obtain 15% of a total business of $225 millions or $34 millions. Its facilities, however, are only large enough to produce $17 millions, hence it must double its capacity and the number of its employees when the war is over.

Similar analysis was made of other departments and in most cases similar readjustments were indicated as necessary.

Some Problems

As a result of the foregoing analysis, certain definite problems now face the Committee. One major problem is employment. The war has resulted in disproportionate increases in employment in some of the company's works. In planning the peacetime production of these works, therefore, it is obviously desirable that this should bear as close a relationship as possible to the number of people available for employment in each locality. In general, it is easier to move work than to move people and practical analysis will, therefore, be made to see whether the necessary shifts in postwar production can be made so as to equalize opportunities for employment.

Another aspect of the employment problem is that of special wartime employment. At the end of Dec., 1941, the General Electric Company had a total of 123,000 employees. At the peak of our war effort, many more will be employed. The estimated number required in the year "V plus 2" is about 122,000 employees. The company will therefore probably have several thousand employees over and above its estimated requirements for the year "V plus 2" concerning whom further and careful investigation must be made.

The company need not necessarily expect to retain all of these additional people. Many of them have come from civilian industries that have been curtailed, and presumably will desire to return to their original employment. Still others are working for patriotic reasons. For example, the superintendent of one factory has stated that about 60% of the girls whom he has hired within the past year are working because husbands or brothers are away with the armed forces. Normally they are not gainfully employed. The committee must find out how many of these additional employees expect to stay or would like to stay with General Electric, and how many expect to return to other activities.

Back to Peace

Another problem which the committee must consider is how the company can change back from a war economy to a peace economy. The results of this indicate that while shipments of heavy equipment and communication equipment in the year "V plus 2" will be less than at the war peak, they will be about the same as they were in 1941. Domestic appliances and construction materials will increase compared with 1941 because of the expansion in sales of consumers' durable goods and the expansion in home construction.

The change-over problem involves making plans so that the change can be made with as little dislocation as possible.

In addition to planning how to change over facilities, the committee must also plan to have products available for each department to make. Various management committees have indicated that there are about 150 major developments which they feel should be kept going, even during wartime, if the company is to be able to make this transition and be in a position to offer the public better and less expensive products. While engineers are now devoting whole efforts to war projects it is expected that when America is finally tooled up a few of these can be spared to devote time to the development of postwar products.

Still another problem is that of determining how much of the private works reserve should be contributed by General Electric. If private producers in total are to spend $13 billions, how much should General Electric spend? This study has just been completed. The amount to be spent is impressive but well within the financial resources of the company.

General Electric Co.'s contribution to the success of any postwar programme is necessarily confined to what it can do with its own operations. Since the General Electric Co. will account for somewhat less than 1% of the gross national output for the year "V plus 2," it is obvious that its planning can effect the overall picture to a very limited extent only.

Though naturally concerned with maintaining its position in the electrical industry, General Electric, as well as other industrial companies, has far more to gain from a successful programme aimed at full employment of national resources than it has from any advantages won by improving its competitive position in its own industry. Full use of the nation's resources will entail development of co-operation between industry and others concerned if the objective is to be realized.

In considering the contributions that various economic groups might make to postwar planning it is necessary to consider the effect of such a programme on postwar employment and the relationship between capital formation and employment. It has already been shown that reasonably full employment means the employing of 57 million people and to bring this about capital formation should amount to about $26 billions.

Total employment by 1943 will be about 61 millions. Allowing two millions for those in the process of changing employment, we arrive at a total labor force of 63 millions or about six millions more than what is termed the normal labor force.

Reconstruction Army

Thus, it is going to be necessary to call upon the "emergency" labor supply, that is, youths, pensioners, and women, to the amount of about six million persons—even after allowing for shrinkages which will occur in trade, agriculture, and civilian construction. This point is important because it answers the question of what will happen to the seven million men who return from the armed forces after the war. These men will be used to build up the various peacetime activities sacrificed during the war. Employees in the emergency labor force will return to their former mode of living, that is, retirement, back to school, or housekeeping.

Other changes in employment which are significant for the year "V plus 2" are, of course, the increased number absorbed in trade, distribution, and finance; the increase in construction employment; and the decrease in the number employed in manufacture from the war peak of 18 millions to a peacetime level of 14,500,000. It will be noted, however, that the number in manufacturing industries is estimated at about 40% greater than for the year 1940. This

(Continued on page 16)

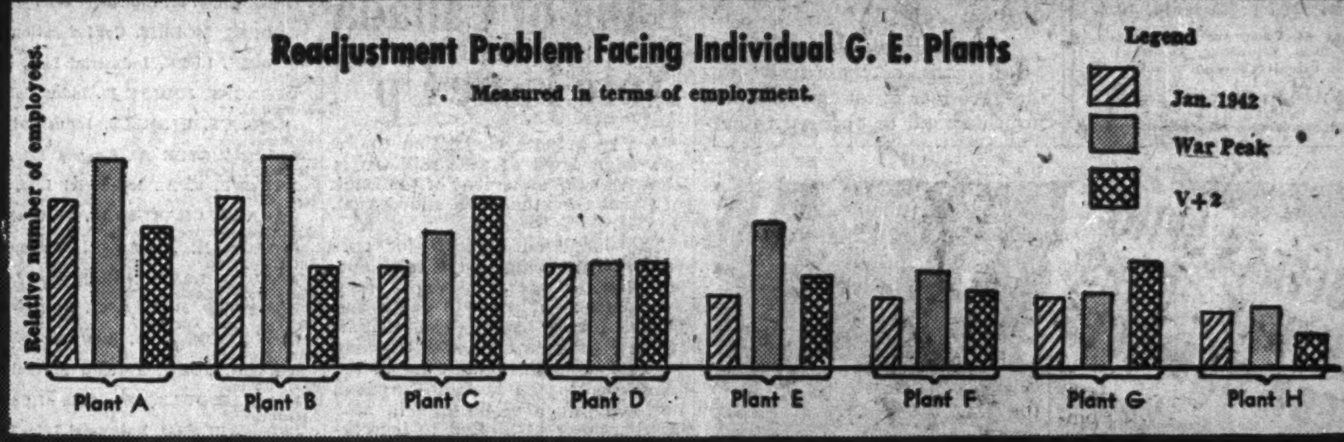
This article originally appeared in Harvard Business Review Summer, 1942 issue under the title, "An Approach to Postwar Planning." This is a condensation.

How to Plan Your Firm's Future

Here is How General Electric is Doing It

Known Facts of the Past	Full Employment Reached 1943	V plus 2 2 Years After Victory	Electrical Industry's Share of all Trade
Only the figures for 1940 are cited here	From this can measure postwar objective	Estimated from projection of facts and estimates	Estimated from projection of known relationships
National Output $82 billions	National Output $115 billions	National Output $110 billions	Sales at mfrs. selling prices $3.8 billions
No of Workers 47 millions	No of Workers 61 millions	No. of Workers (1) 58 millions	

1. Some go back to school, housework, retirement, etc.



Here, in skeleton form, is the pattern the General Electric planners have used to plot the probabilities for the company in the postwar world. It is a pattern that other firms, either in the United States or Canada, may also use. General Electric knows its own share of the total electrical business, hopes to maintain that share but, the authors say, "Though naturally concerned with maintaining its position in the electrical industry General Electric, as well as other industrial companies, has far more to gain from a successful programme aimed at full employment of national resources than it has from any advantages won by improving its competitive position in its own industry."

"Full employment and full enjoyment of America's heritage will come about only through the formation of a new partnership of management, labor, capital and government, a running team in which each partner thoroughly understands his own function and directs his energies wholeheartedly to one end. That is a constantly rising standard of living for all people."—The Authors.

Quiet Markets Cut Call Loans

Demand For Funds Drops With Security Trading Volume

With speculative activity on the Canadian stock exchanges at a low level, call loans of the Canadian chartered banks in Canada continue to decline.

The total figure for all the banks at July 31, the latest date for which figures are available was $26.1 millions compared with $33.8 millions in July last year and $51.2 millions on July 31, 1939.

Outside Canada, however, they have been showing an upward trend for some months past and this increase abroad has been sufficient to cause total call loans at home and abroad to show increases over the year and other immediately preceding years.

Conditions Abroad

Reason for the rise in call loans abroad is not so clear. Stocks on the London stock exchange have shown greater activity but Canadian banks do not lend much money on call at London.

The New York market where they do considerable call loan business, was stronger and more active in April, May and June.

While most bankers interviewed by The Financial Post were doubtful that the increased stock exchange activity had been sufficient to cause the rise in loans one stated that the accumulation of funds in New York with the number of investment outlets contracting, was causing some stock buying.

Call loans in recent years have not been as important a factor in bank earnings as are current loans. Nor are they now the large item they were before the stock exchange crash in 1929.

In July, 1929, call loans in Canada totalled $273.1 millions or more than 10 times the total at the end of July, 1942. Call loans outside Canada were $305.4 millions or about six times what they were on July 31.

Payable on Demand

Call loans, as their name implies, are loans that can be called in on demand as opposed to current loans which are usually made for a definite period such as one month, three months etc. Because the lender can call on the borrower to repay them immediately, call loans are regarded in some quarters as a sort of secondary reserve for the banks. The borrower when called on to repay must raise the money immediately.

The big demand for call loans comes from brokers or their clients dealing on the speculative markets. Thus while the volume of these loans in Canada is well below that of a year ago, so is the volume of trading on the stock exchanges. For the first seven months of 1942 total sales on the Toronto and Montreal stock exchanges were 23.6 million shares with a value of $55.7 millions. In the same period of 1941 the number of shares was 36.1 millions and the value $79.6 millions.

Call loans in and out of Canada with comparisons are shown in the following tables:

CALL LOANS IN CANADA
Millions of dollars

	1942	1941	1940	1939
Jan.	30.7	35.8	47.7	62.6
Feb.	29.6	33.9	56.6	60.4
March	33.5	35.1	51.8	55.7
April	31.8	31.2	54.0	54.4
May	29.0	29.4	44.3	55.1
June	28.1	32.7	39.0	52.4
July	26.1	33.8	38.4	51.2
Aug.		34.8	37.5	49.1
Sept.		36.3	37.2	51.1
Oct.		37.4	40.9	53.4
Nov.		35.6	41.3	55.5
Dec.		31.8	40.2	52.8

CALL LOANS OUTSIDE CANADA

	1942	1941	1940	1939
Jan.	43.8	38.3	47.8	56.1
Feb.	45.6	38.6	48.7	54.4
March	49.5	49.5	50.6	49.4
April	52.8	42.5	57.0	43.9
May	62.4	41.9	39.8	49.6
June	54.1	44.6	40.0	41.9
July	52.8	43.5	38.7	42.6
Aug.		50.3	38.4	41.8
Sept.		47.3	50.9	52.0
Oct.		45.6	42.5	48.2
Nov.		42.3	35.3	45.3
Dec.		47.6	42.2	48.6

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C.L.U. Degree Awarded To 43 Candidates

Results of the 1942 examinations of the Life Underwriters Association of Canada show 43 candidates who have completed all examinations and complied with all requirements for the degree of C. L. U., Chartered Life Underwriters of Canada.

Of the successful candidates, 19 were from Quebec, 18 from Ontario, two each from Prince Edward Island and Saskatchewan, one each from Manitoba and British Columbia. Names of the successful candidates follow:

AUDET, PAUL, Prudential of London, Quebec, Que.
BEAUDRY, J. L., Industrial Life, Montreal.
BELANGER, LOUIS P., Industrial Life, Montreal.
CARRIER, J. E., Industrial Life, Quebec, Que.
COOPER, MORRIS, Confederation Life, Toronto.
CORBIN, LEON, Industrial Life, Montreal.
DEGAGNE, JOSEPH E., Industrial Life, Montreal.
DUBUQUE, CAMILLE, Industrial Life, Montreal.
ELLIS, VICTOR A., Canada Life, Collingwood, Ont.
FILTEAU, J. A., Industrial Life, Quebec, Que.
GAGNON, CHARLES H., Prudential of America, Montreal.
GROSSMAN, ALLAN I., Metropolitan Life, Toronto.
HALL, W. LAWRENCE, Mutual Life of Canada, Fredericton, N.B.
HAMMOND, JOHN E. C., Toronto Mutual Life Ins., Toronto.
HUTCHISON, J. R., Sun Life of Canada, Toronto.
KIRWIN, JOHN, Toronto Mutual Life Ins., Toronto.
LASALLE, JULES, Sun Life of Canada, Montreal.
LEDUC, ROMEO, Industrial Life, Montreal.
LEVY, MORT L., Imperial Life, Toronto.
LIPMAN, SIDNEY Z., Travelers of Hartford, Toronto.
MACDONALD, WALTER B., London Life, Saskatoon, Sask.
MACLEAN, ALLISON P., Great-West Life, Summerside, P.E.I.
MARCOTTE, LUCIEN, Industrial Life, Montreal.
McCARTHY, WILFRID J., Sun Life of Canada, Hagersville, Ont.
McDONALD, EARL W., Mutual Life of Canada, Saskatoon, Sask.
McGHEE, T. HAROLD, Crown Life, Shelburne, Ont.
NASH, DOUGLAS C., Great-West Life, Vancouver.
NIXON, WILLIAM W., Excelsior Life, Toronto.
PARENT, PAUL H., Industrial Life, Quebec, Que.
PLAMONDON, PAUL, A., Industrial Life, Quebec, Que.
POTOFSKY, MOSES E., London Life, Montreal.
RENNIE, JOHN G., Manufacturers Life, Montreal.
ROBARTS, JOHN A., London Life, Toronto.
ROSS, WILLIAM, F., Confederation Life, Winnipeg.
ROSSE, AUGUSTE Industrial Life, Quebec, Que.
SAXBY, FREDERICK R., Imperial Life, Toronto.
STONESS, WILLIAM J., Mutual Life of Canada, Kingston, Ont.
TETREAULT, JOSEPH A., Industrial Life, Montreal.
TOMLINSON, JOHN M., Manufacturers Life, London, Ont.
TOMLINSON, RICHARD, C., Manufacturers Life, Hamilton, Ont.
TRAINOR CHARLES L., Prudential of America, Toronto.
VERMETTE, LUCIEN, Industrial Life, Montreal.
YOUNG, DUNCAN, H., Great-West Life, Chatham, Ont.

In addition four candidates have completed all examinations, but have not yet qualified in other respects for the degree. They are:

CANN, WM. N., Sun Life of Canada, Montreal.
McENIRY, F. J., Manufacturers Life, Quebec City.
McNAUGHTON, H. K., London Life, London, Ont.
PROVAN, RUSSELL F., Crown Life, Toronto.

Bank of Canada Note Issue Up

A rise in note circulation to the new high level of $606 millions is shown in the statement of the Bank of Canada for the week ended Sept. 9, 1942.

The increased demand for currency while bringing the total outstanding to successive new high levels does not seem to cause any uneasiness to banking authorities.

The rise in circulation in Canada parallels a similar one in the United Kingdom. In the United Kingdom, however, much of the rise in note circulation is attributed to increasing wages. In Canada the cost of living bonus may have the same effect.

	Sept. 9 1942	Sept. 2 1942
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	606,954,602	598,350,404
Rest fund	5,585,705	5,585,705
Deposits: Dom.	35,109,121	23,715,509
Banks	217,614,345	229,489,442
Other	23,308,310	24,974,974
Total deposits	276,031,776	278,179,925
All other	13,896,874	14,199,010
Total liabs.	907,468,957	901,315,044
Assets:		
In Sterling & U. S.	1,032,330	1,032,330
Subsid. coin	268,303	310,971
Investments:		
Dom. gov. sh.	608,290,348	612,471,523
Other Dom. gov.	267,460,357	260,852,639
Total invests.	875,750,705	873,324,162
Premises	2,110,032	2,074,260
All other assets	28,307,587	24,573,321
Total assets	907,468,957	901,315,044

Weekly Bank Clearings

	Sept. 10 1942 $	Change Year Ago %	Sept. 3 1942 $
Halifax	3,473,908	—7.4	4,925,913
Saint John	2,383,727	+12.8	2,298,816
Moncton	937,417	+1.7	1,154,692
Sherbrooke	808,534	—24.3	1,148,234
Quebec	4,743,654	—25.6	6,503,319
Montreal	109,827,625	+6.9	141,554,858
Ottawa	85,674,865	+48.5	69,353,288
Kingston	770,894	—4.8	747,658
Peterborough	641,660	—12.8	877,972
Toronto	91,715,907	—22.8	168,619,049
Hamilton	7,598,833	+27.2	8,001,432
St. Catharines	995,277	—9.6	1,512,398
Kitchener	1,055,509	—17.6	1,339,427
Brantford	878,102	—15.4	1,095,995
London	2,229,236	—20.5	3,118,587
Chatham	485,609	—24.5	611,866
Windsor	3,231,780	+0.8	3,935,721
Sarnia	368,101	—13.8	595,718
Sudbury	876,206	—30.2	703,787
Fort William	1,011,313	—1.3	1,133,686
Winnipeg	31,607,081	—45.2	41,587,033
Brandon	503,651	+12.2	524,767
Regina	3,609,941	—33.6	4,291,362
Moose Jaw	653,092	—3.7	764,997
Saskatoon	1,491,573	—8.6	1,983,523
Prince Albert	427,577	+3.6	531,600
Edmonton	5,189,999	+2.2	6,624,627
Calgary	4,954,680	—24.7	7,735,884
Lethbridge	575,496	—4.5	701,071
Medicine Hat	310,248	—22.8	336,302
N. W'minster	838,018	—4.3	1,503,331
Vancouver	18,152,511	—7.6	26,931,044
Victoria	1,662,654	—7.7	2,172,643

Insurance Problems

Free Indemnity

Under the war risk insurance plan, I understand a householder is given $3,000 free insurance on his house, with a proportionate allowance for the chattels of a householder. Is this insurance payable in event of loss whether a person has any other bomb insurance under the plan or not? Or does one have to buy other bomb insurance to get the benefit of the free insurance?

Under the plan, free compensation up to $3,000 for war damage is provided for every house-owner for the residence in which he ordinarily lives. This compensation is an indemnity. Strictly speaking it is not insurance. No application need be made for it, nor will a policy be issued. It comes automatically to every homeowner on the house he owns and lives in. It does not apply on a rented house. It is not necessary for him to carry any other war damage insurance in order to be sure of indemnity under this provision.

Canada Life Elects McEvenue to Board

S. C. McEvenue has been elected a director of the Canada Life Assurance Co. Mr. McEvenue is general manager of the Canada Life, having been appointed to that position in 1938. He joined the company in 1927, as western supervisor after extensive experience in life insurance management and underwriting. For detailed personal sketch of Mr. McEvenue, see page 6.

War Damage Insurance Gets Mixed Reception

While Some Large Business Firms Buy, Others Find Rate on Industrial Risks and Excess Profits Tax Provision Unsatisfactory

Larger business and industrial concerns in Canada are buying the government's war damage insurance sparingly, enquiries among insurance and business men indicate. Smaller firms in inland areas with property fairly well localized are apathetic. Householders have been showing a relatively lively interest.

Among the larger industrial companies having a large percentage of their property in inland areas, the majority are deferring action, according to present indications.

Complaints against the plan offered have crystallized into three main items. They are:

The rate is too high for inland areas.

The deduction allowed for the premium as a business expense in calculating income and excess profits tax is not considered large enough in view of the fact that fire premiums are entirely deductible.

A property-owner must insure all or none of his property.

Rate Main Obstacle

Of the three the rate (25 cents per $100) is the biggest obstacle especially to firms which have large properties in protected areas as well as in more exposed locations.

An official of one large firm stated to The Financial Post that they had not yet decided what to do about it. They had, he said premises at an eastern Canadian port which was the only place they felt protection to be necessary. They had been carrying war and bombardment insurance with a private insurer since the war began.

This particular contract expired early this month and was not renewable because the insurance companies ceased writing this type of insurance in December. Now his firm want to continue to keep this property covered but the only place they can insure it is with the government and to do so they will have to insure all their property involving an expense of many thousands of dollars at a rate they feel is too high.

An executive of another large concern with branches from coast to coast stated he believed the plan to be as good a one as could be worked out over a wide country like Canada. He said the rate charged was too high for sections believed immune from bombing. It would be fairer to give the same protection by a tax levy on everybody, he indicated, but was doubtful how such a suggestion would be received by the taxpayers at large. He believed the patriotic thing to do was to take the insurance without too much protest.

An executive of another large company saw the big objection in the provision requiring the property owner to insure all his properties or none. His firm, he declared, was not going to buy any just now but would figure out whether the situation required it or not. He felt that if the rate were lower the number of people insuring would be larger and there would be a bigger fund built up. A greater tax concession he felt would have helped the sale of the new cover.

The representative of another corporation said he believed the lack of interest in the inland areas of Canada was not characteristic of other parts of the country. His firm was more concerned about the rate than the excess profits tax provisions. He believed that for a long time to come the premium income would be insufficient to pay the damage if any bombing raid other than a token raid occurred.

If Raid Occurred

Insurance men while admitting the rate might be a little high under existing conditions stated that one bombing raid would change that. The rate which seemed too high with no raids would seem quite reasonable once a raid occurred.

One agent who handles a number of large accounts stated that his experience had been that most of the big business concerns were showing a lively interest in the situation, many subsidiaries of United States corporations taking the insurance without delay, while other branches of British concerns, were cabling reports and asking for instructions.

Another man claimed that a point overlooked by many who thought the rate too high was that the government through a war risk policy assumed the risk of any conflagration started by bombing or efforts to prevent a bombing raid. In such conditions the protection of the ordinary fire insurance policy ceased.

Staff Changes

The Royal Bank of Canada announces the following staff changes:

F. W. CLARK to be manager, St. Clair & Crang, Toronto.

W. G. DULMAGE, to be manager, Goderich, Ont.

S. G. KENNEDY, accountant, Melita, Man., to be manager, Pierson, Man.

J. A. BARRON, to be accountant, Windsor, Ont.

J. C. S. COLCLOUGH, accountant, Fort Erie North, Ont., to be accountant, Leamington, Ont.

C. E. HOLDITCH, to be accountant, Sudbury, Ont.

G. F. RODGER, to be accountant, Kentville, N.S.

G. C. TEMPLE, Runnymede & Bloor, Toronto, retires on pension.

A. E. HOCKLEY, Goderich, granted leave of absence to engage in military service.

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E. C. Fairbrother.
Secretary.

CAH:DC

Confederation Life
Association
HEAD OFFICE — TORONTO

London Calling

by Adelphi

LONDON. — Politically, Premier Churchill's situation will be somewhat embarrassed by the recent speech of his son Randolph, who prophesied the creation of a centre party after the war, a party which would embrace the best elements of the Socialists, Liberals and Tories.

Since Churchill, Senior, is the leader of the Tory Party the question may well arise as to whether Churchill, Junior, was voicing his father's thoughts. I imagine, however, that the premier would have little difficulty if challenged on the point. He would no doubt make a typical Churchillian reply to the effect: "I am certainly responsible for bringing my son into the world but I am not responsible for the political opinions held by the Honorable Member for Preston."

There are rumors, as usual, of ministerial changes and that Churchill intends to appoint a Minister of Defense, but then Westminster is the hotbed of rumors. It is probable that Dieppe will come under some discussion and certainly the House will want to express its admiration of the bravery of the Canadians. At the same time there are many M.P.'s who feel that the attack could have been on a larger scale allowing for an exploitation of the situation if things went well.

• • •

Furrows For Der Fuehrer

Actually the war seems to be taking a better turn than was thought possible a short time ago. The German onslaught in Russia is slowing down, Rommel's attack on Egypt has not proved effective so far and the U-boat sinkings are mounting. Admittedly anything may happen by the "next sitting day" but the prevailing, if illogical mood, is that Hitler's coming winter will be his worst.

Reasonably reliable news from Germany states that Hitler is in a very nervous and depressed state and that his skin grows more flabby as the shadows deepen under his eyes. Actually I saw a captured German propaganda film the other day in which Hitler looked much older and where his smiles were forced and false. It is said that the R.A.F. raids on Germany drive him frantic with fury. In 1938 he shrieked to M. Gafencu, Roumania's Foreign Minister, that if war came the Luftwaffe would not leave a French or British city standing "not a brick or a stone."

Today he is seeing the towns of Germany reduced to rubble while he is too weak to hit back at Britain save with isolated miniature raids on the hit-and-run basis. St. John Ervine, the critic and playwright, was telling me of just such a raid recently on his village in Devon. "Two machines swooped out of the skies and opened fire on a group of cottages. They killed one very old lady, two very young children and a dog."

Ervine's voice took on a deceptively mild Irish lift. "I really wonder," he said, "if the Fuehrer would consider that a very good bag for so much effort."

• • •

Information, Please

I met Ervine at an overseas recording of the Brains Trust at the B.B.C. He and I had been invited to take part in a half hour session and I, for one, was curious to see if it was all as spontaneous as it seemed to be. Perhaps it is necessary to explain that the Brains Trust began here as an adaptation of the American question and answer radio features. It was an instantaneous success. Professor Joad, Commander "I Remember When I Was in Borneo" Campbell, Julian Huxley and the compère, Donald McCullough, became national figures.

England almost stopped work to hear McCullough say: "Mr. R. F. Smith of Reading asks why and how a fly lights on the ceiling." And to hear the incredible Joad offer an immediate explanation without even the pretence of a hesitation. Each of them was paid £20 a broadcast but their earnings elsewhere leaped to the stars. But were they shown the questions in advance?

Well, yesterday we all lunched in a private room at the Dorchester but the conversation was general. Then we adjourned to the B.B.C., and tried a specimen question for voice testing. I was rather good on that one and was sorry to find that it did not reappear when the recording began. There was only one microphone in the centre and no warning whatever as to the question that was coming.

If you want to answer you raise your hand. If more than one hand is raised, McCullough makes his choice and indicates silently who will be taken next. You need never open your mouth but so stern a reticence would disappoint your admirers and render a return engagement unlikely.

My own impression of the seance was that we were all pretty dull; but that may have been due to a certain amount of nervousness at such an ordeal. At any rate as it was to be broadcast to India, Australia and New Zealand, we are not likely to receive any abusive letters for some time.

• • •

Forty Years on Fleet St.

The newspaper world of London took time off to honor Hannen Swaffer on completing 40 years in Fleet Street. Swaffer is the most famous working journalist in London and as much part of the town as Gog and Magog or Trafalgar Square. With untidy bow tie, his clothes covered with cigarette ash, his artist's hat and statesman's locks he has walked the Street of adventure with an arrogance, an egoism and a morbid geniality that has no imitators. He has been hired and fired so often that he has worked on nearly every newspaper in London. Hence the jest: "No reasonable Swaffer refused."

He is so honest that his friends voted that his letter paper should be headed with the proud insigne, "Honi Swaff Qui Mal'y Pense." He has patronized proprietors, editors, reporters, prime ministers and millionaires with an effrontery that is superb. "I draw a salary but I am no man's slave," he would say.

The net result of all this is that he has become the most loved man in Fleet Street. Having toadied to none, he has won them all.

Beaverbrook took the chair at last night's dinner. Quentin Reynolds, the American correspondent, Leslie Hore-Belisha, Brendan Bracken and Beverley Baxter made speeches. Swaffer talked about himself for half an hour and at the end of the evening he talked about himself for another half hour. He was getting up for the third time when Max decided we had all better go back to work.

• • •

Sailor Fairbanks

One of the few non-journalistic guests present was young Douglas Fairbanks in naval uniform. Like others, I assumed that he had been given some useful or decorative post at the American Embassy, but in conversation with Fairbanks I learned that he had been at sea for a year on a destroyer, a mine layer, an aircraft carrier and finally a battleship. He was in two of the convoys that battled their way through to Murmansk but explained that he was only a peacetime sailor and was not to be confused with the professionals.

He is a charming and highly intelligent young man, with good looks, real sincerity and an unassumed modesty that is most attractive. Perhaps after Swaffer anyone would seem modest, but I must say I like Douglas Fairbanks of the U.S. Navy very much indeed.

• • •

Over There!

The American troops marched to the ruins of the Guildhall on the anniversary of the war and large crowds of Londoners turned out to see the unusual spectacle of marching troops and to listen to the almost forgotten sound of a military band. A few people tried to cheer but the incorrigible shyness of the British got in the way.

The Americans looked very serious. They do not assume that casualness of the Englishman which cloaks a high degree of efficiency—and sometimes cloaks nothing at all. The Americans mean business and London was delighted to see them march.

But the English still need a course in cheering. There remains a remnant of truth in Voltaire's jibe: "England is an island and so is every Englishman."

Canada Life Director

S. C. McEVENUE, general manager of the Canada Life Assurance Company, who has been elected to the company's board of directors.

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and those who follow

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Montreal Trust Building

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When the government wartime programme calls for money, be prepared. Be in a position to write your cheque. Have a balance in your savings account constantly growing. Open an account with the Canada Permanent and make deposits regularly and systematically.

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2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

C. S. L.

I hold 25 shares of the preferred stock of Canada Steamship Lines, and would like to have your views on this stock as a continued hold.

Canada Steamship Lines position has undergone much improvement since the outbreak of war. A number of ships have been taken over by the Government, while those under the company's operation, have been handling a record volume of traffic.

The operating revenues last year reached the near record figure of over $17 millions, while the net profit available on the preferred stock amounted to $6.77 a share. This contrasted with dividend requirement of $2.50. Under the terms of the reorganization carried out in 1936, public debt charges have been reduced substantially and, consequently, the position of the preferred stock greatly strengthened.

While the company is experiencing abnormal operating conditions and earnings, still it is believed that by the time the war ends, the company will have worked itself into such a strong position that it should be better able to maintain dividends on the preferred stock.

Dominion Engineering

I understand Dominion Engineering Works is doing a big business and in view of its improved earnings, I would like to know why the company has not paid its dividend for such a long term.

Dominion Engineering Works Ltd. has been operating on an all-out basis since the commencement of the war. Due to wartime restrictions, no particulars are given of production, but the president has stated the total volume of business in 1941 far exceeded any previous year in the history of the company.

Last year profits were equivalent to $2.32 a share on the common stock, as against $1.68 a share the year before. At the same time, net working capital was improved and at the close of 1941 stood at just under $2.6 millions, an increase of nearly $1 million since the war started. The dividend record of the company has been rather erratic. Payments were made from 1926 to 1931.

From 1932 to 1936, no distribution was made, but in 1937, 50 cents a share was paid. There have been no dividends since then. While the financial position and earning power of the company would warrant payment of a dividend, the president has stated no action will be taken until the liability under the Income and Excess Profits Tax Acts has been established. There is no indication when the company's tax base will be set by the government.

Montreal Power

I am looking for as big a yield as possible compatible with security of capital and also have an eye on enhancing the capital after the war. With this in mind, I will appreciate your views on Montreal Light, Heat & Power common stock.

Montreal Light, Heat & Power ranks as one of the largest and financially strongest of the privately owned utility companies of Canada.

Its operations are centred in the Montreal area, and the company's record of earnings over a period of many years is highly impressive. The only uncertainty in the investment outlook for Montreal Power is the possibility of the provincial government setting up a hydro-electric system and acquiring ownership of Montreal Power's property. Several months ago, the government announced its intention of taking such action, but prospects are that no further effort will be made along these lines, at least for the duration. Whether or not the move to create a provincially owned hydro-electric system develops to the point where definite action will be taken remains to be seen. This is a factor to bear in mind in considering the investment merits of the company's stock.

A National Duty—

AN INVESTMENT OPPORTUNITY

There is no type of investment available in this country which, from the standpoint of security of principal, attractive interest yield and ready marketability, can compare with DOMINION OF CANADA BONDS

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If your life insurance is payable to your wife in monthly instalments, and she were to die before the children become of age, the remaining payments might have to be paid into Court for distribution.

This can be avoided by setting up Trusts in your Will.

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Managed in connection with Huron & Erie Mortgage Corporation

Branch Offices in Six Provinces

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Your Income Tax

Payments of income taxes collected at the source have now started. In this weekly column, The Financial Post answers problems you may have in connection with your income tax. In some cases, rulings have yet to be made, hence The Post can only cite informed opinion.

Enlists in Army

I enlisted in the Army Sept. 15. Will my total income for 1942 including my income as a civilian from Jan. 1 to date of enlistment be free of income tax? Am I entitled to refund of national defense tax deducted at the source in the first eight months of the year?

You will be exempt from income tax on your army pay from date of enlistment provided you are not a commissioned officer in Canada. If you go overseas you will be exempt on your army pay in any event from date when you leave Canada. You will, however, be liable for tax on your civilian income during the year. If you are single and your civilian income is more than $660, or if you are married and your income is over $1,200, you are liable for normal tax. less $28 for each dependent child. You will also be liable for graduated tax on your civilian income over $660. If married you can claim a deduction of $150 from the amount of tax due and $80 for each dependent child. The amendments to the act provide that neither the normal tax nor the graduated tax can reduce your income below $660 when single or $1,200 when married. Accordingly if the national defense tax deducted in the first eight months brings your civilian income below $660 as a single man or $1,200 if married, you will be allowed a refund for an amount sufficient to bring your income up to the minimum allowed.

• • •

Airman's Dependents

1. Does an airman's wife earning over $660 a year have to pay income tax on her dependent's allowance?

2. Does an airman's widow earning over $660 a year have to pay income tax on her pension?

1. No, the dependent's allowance is considered part of the airman's income.

2. No, under the new income tax regulations war pensions are exempted.

• • •

Mortgage Payments

Previous to the budget being brought down, I made a payment of principal on the mortgage on my house. It is the only payment I will make in 1942. Will I be allowed to deduct it from my compulsory savings even though the payment was made before the new regulations were enacted?

As long as the payment was made in 1942 it is deductible. The fact it was paid before the new regulations were enacted makes no difference.

• • •

Insurance Dividends

I believe life insurance premiums are deductible from the compulsory savings portion of the total income tax. The amount deductible is said to be the premium less dividends paid, policy loans obtained, and cash values received during the year. How about cases where the dividends are not taken but are allowed to accumulate with the insurance company? What about policies on a quinquennial dividend plan?

It is understood a ruling has been issued that dividends not withdrawn from the insurance company or used to reduce the premium payment, but left with the company to accumulate or to purchase a bonus addition to the amount of insurance carried, need not be deducted from the premium when including the latter among the deductions allowable as compulsory savings. Dividends on a quinquennial basis are treated the same way as annual dividends. As a rule they are not applied against the premium.

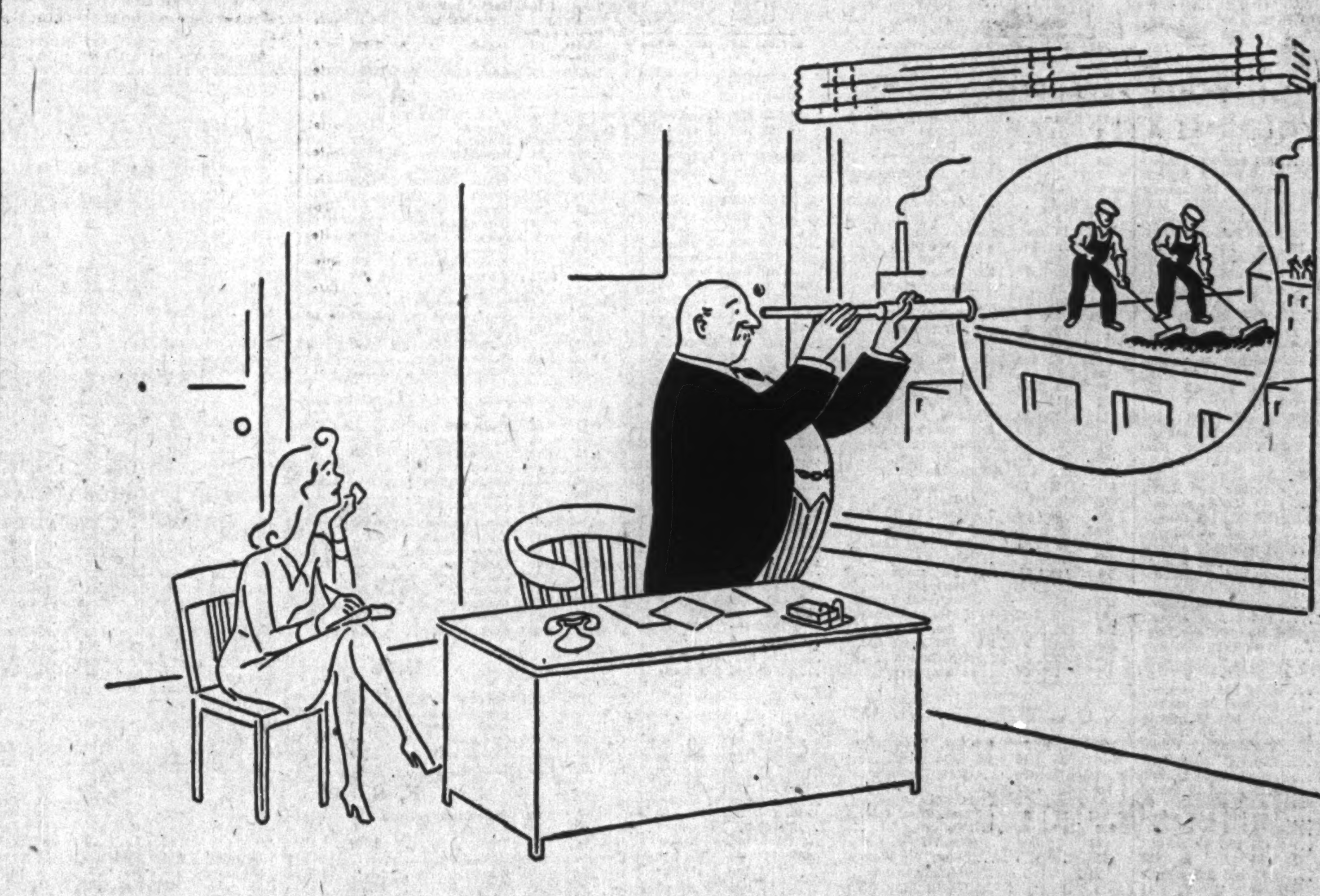
• • •

N. D. T. Credits

I notice that in computing the amount of income tax payable on 1942 income, we are allowed credit for National Defense Tax paid up to Aug. 31. How is this credit arrived at?

The credit for National Defense Tax paid in 1942 is arrived at by taking the National Defense Tax deducted in the first eight months of the year from an individual's salary or from dividend and bond interest he receives.

The taxpayer gets credit for this against his normal tax which has replaced his national defense tax. This is the way it works: A married man with an income of $3,000 was previously liable for national defense tax at the rate of 5%. For the first eight months he would therefore have had deducted from his pay two-thirds of 5% of $3,000 or $100. Under the new normal tax he will be liable for 7% of $3,000 or $210. Against this he is given credit for the $100 already paid as National Defense Tax. Thus he just has $110 left to pay.



Our Competitors are on their toes, Miss Drinkwater

INDEED they are, Miss Drinkwater, for up there on the roof of their new converting plant a crew of roofers is laying a Murray Registered Roof of Built-Up Pitch and Gravel. Shrewd building owners from coast to coast recognize that the combination of Murray roof materials plus Murray-controlled workmanship constitute the finest obtainable in roof covering.

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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 14

Range 1942 High	Low	Div R'te $	Sep12 Y'ld %		Sales	Last Sept. 7	Week end. Sept. 14 H	L	Cl'se
				A					
.75	.40	.	...	Abitibi	810	.55	.50	.50	.50
7	4	.	...	Do. pref. 6%	125	4	4½	4	4
25	13	.	...	Do. pref. 7%	....	(13½ bid 14 asked)			
3	3	.	...	Acme Glove	....	(3 bid — asked)			
60	48½	6.50	13.4	Do. pref.	10	50	48½	48½	48½
				F, G					
3½	1½	.	...	Fairchild Air	185	2½	2½	2½	2½
19½	15	1	6.7	Fam. Players	10	17	15	15	15
22½	15	1.50+25c	10½	Fanny Farm	110	16½	17	16¾	17
3¾	2½	.	...	Fleet Aircraft	....	(2½ bid 2¾ asked)			
.20	.20	.	...	Fleury Bissell	....	(.20 bid .50 asked)			
10	10	.	...	Do. pref.	....	(10 bid 14 asked)			
18¾	14½	1	5.4	Ford Motor A.	823	18	18½	18	18½
18½	14½	1	5.6	Do. (B)	....	(17½ bid — asked)			

[illegible]

Mining Stocks

Week Ending September 14

[illegible]

Oil Stocks

[illegible]

Vancouver Stocks

[illegible]

Oil Quotations

Par Val.	High	Low	Company	Sales	Close Sept. 7	High	Low	Close
No	.01½	.00¾	Madison	......	(.01½ bid .... asked)			
No	.01½	.01	Marjon Oil	......	(.01 bid .01½ asked)			
No	.04½	.02½	McD. Segur Ex.	1,000	.03½	.03½	.03½	.03½
No	.05½	.03½	Mercury	......	(.04 bid .04½ asked)			
No	.07	.05½	Mill City Pete	......	(.... bid .... asked)			
1	.20	.12	Model	......	(.13 bid .18 asked)			
25c.	.04½	.03	National Pete	......	(.04 bid .... asked)			
1	.03	.02	Nordon	......	(.02½ bid .... asked)			
No	.40	.20	Okalta	......	(.22 bid .... asked)			
No	.04	.02½	Pacalta Oil	......	(.02½ bid .03½ asked)			
1	.25	.14	Pacific Petroleums	......	(.19 bid .25 asked)			
No	.05½	.02½	Royal Canadian	2,000	.03	.03½	.03	.03½
No	†.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	18.63	16.00	Royalite	......	(16.25 bid .... asked)			
No	.05	.03	South End	......	(.... bid .... asked)			
No	.20	.15	Southwest Pete	......	(.15 Mar. 9)			
1	.05	.03	Spooner	......	(.03 Aug. 25)			
25c.	.09½	.06	Sunset Oil	3,000	.06	.06	.06	.06
No	.04½	.02	United	......	(.04 bid .... asked)			
No	.05	.04	Vanalta	......	(.04½ bid .... asked)			
1	.20	.12	Vulcan	......	(.13 bid .18 asked)			

* Quotations for 1941; † 1940.

Winnipeg Stocks

(Transactions from Sept. 7 to Sept. 12)

	Sales	High for period	Low for period	Close Sept. 12
Crescent Creamery, pref.	50	15.00	15.00	15.00
Dominion Envelope, pref.	5	90.00	90.00	90.00
Home Investment	16	28.50	28.50	28.50
Northern Mortgage	14	.75	.75	.75
Western Steel Products	25	9.00	9.00	9.00

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, c	2½	5	Nor. C. Mtg. un.	5½	..
Beav. Lumber, p	100	..	Nor. Trusts	6	..
Can. Indemnity	150	..	Traders Bldg.	44	..
Dom. Envel., c.	..	7½	Unit. Grain, A	10	..
Fed. Grain, c.	..	1¼	West. Brew.	2½	4
Do., pref.	..	39	West. Grain, p.	..	7
Grouped Inc.	..	4¼			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 15	8,200	5,600	252,000	......
Sept. 14	4,500	3,100	83,000	......
Sept. 12	2,200	1,000	49,000	2,200
Sept. 11	2,800	800	75,000	6,610
Sept. 10	6,500	2,400	81,000	13,570
Sept. 9	3,300	2,500	45,000	11,295

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Sept. 16, 1942

%	Due	Bid	Ask.	Approx. Yld.
Dominion of Canada Bonds				
3	Oct. '52	100	100¾	...
2½	June '43	100¾	101½	.74
3	Oct. '43	103½	104	1.27
2	June '44	100¾	101½	1.31
1½	Sept. '44	99¾	100¼	1.36
2½	Jan. '44	100¼	100¾‡	b.75
4½	Oct. '44	105¾	106¼	1.45
2½	Nov. '44	101¾	102¼	1.44
a2½	Aug. '45	100¼	‡100¾	b1.80
4	Oct. '45	102½	102¾	b1.43
2	Mar. '45	100¼	101½	1.53
2	Dec. '46	99¼	99¾	2.03
4½	Feb. '46	108	108½	1.89
2½	Mar. '48	99½	99¾	2.30
3½	June '49	102¾	103¼	b2.33
3¼	Oct. '49	102¼	102¾	b2.14
3½	Nov. '51	101½	102	b2.80
3½	Feb. '52	102½	102¾	δ2.88
a5	May '52	101	102	b
4	Oct. '52	105¾	106½	b2.70
a3	June '51	100¼	100¾	3.00
3	Oct. '52	99½	100	3.00
3	June '55	99¾	99¾	3.01
4½	Nov. '56	106½	107	b2.71
a3	Mar. '54	99½	100	3.07
4½	Nov. '57	107½	108	b2.85
3	June '58	99½	99¾	3.02
4½	Nov. '58	108	108½	b2.98
4½	Nov. '59	109	109½	b3.02
a4	Oct. '60	106¼	‡107½	b2.98
a3½	Jan. '61	101	101½‡	3.14
3½	June '66	101	101½	b3.12
a3e	Jan. '67	97	98‡	3.12
a3e	Nov. '68	97	98‡	3.12
†3	Perpet'l.	94	94½	3.17
Dominion Guarant'd Bonds				
Can. Natl. Railways:				
2	Feb. '43	100½	101¾	.20
2½	Jan. '46	100¾	101½	1.86
3	May '44	102	102½	1.47
3	Dec. '50	99¾	100½	2.84
3	Jan. '59	99½	99¾	3.02
*4½	Sept. '51	118	119	2.19
*4½	Feb. '56	119¾	120¾	2.66
4½	July '57	120	121	2.78
3	Feb. '53	99½	99¾	3.03
4½	June '55	121	123	2.73
5	Feb. '54	117¼	118¼	3.05
*5e	July '69	118¼	119¼	...
*5e	Oct. '69	122½	123½	b2.04
*5e	Feb. '70	122½	123½	b2.20
Can. Nat. W. Ind. S. S.:				
*5	Mar. '55	122½	123½	2.74
Grand Trunk Pacific Rly.:				
3	Jan. '62	101½	102½	2.82
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	94½	96½	3.45
3½	Aug. '49	96	98	3.57
3½	June '56	96	98	3.88
c4	Nov. '47	108	110	b.87
c4½	Apr. '61	109½	111½	3.65
c5	Jan. '60	111	113	3.97
Nova Scotia:				
3	Jan. '52	98	99½	3.06
3½	June '56	99½	100½	3.20
3½	Nov. '50	101	102	3.22
c4½	Sept. '52	113	114	b1.58
c4½	Nov. '60	115	117	3.25
c5	Mar. '60	120	122	3.33
Ontario:				
2½	May '45	100	101	2.11
3	Apr. '48	100	101	b2.71
3	Nov. '50	99	100	b3.00
3½	Nov. '51	100¼	101½	b3.05
3½	May '55	100	101	b3.10
*4	June '62	115	117	2.88
4½	June '50	109	110	3.04
*4½	Jan. '62	119	121	3.06
5	Oct. '48	110	111	3.05
*5	Dec. '60	125	127	3.04
5½	July '46	108¾	109¾	2.80
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100	101	b3.06
3½	Apr. '47	102½	104	2.63
Prince Edward Island:				
4	Mar. '54	102	104	3.57
Quebec:				
3	Nov. '47	98¾	99¾	3.05
3½	Mar. '48	99½	100½	3.20
3½	Mar. '59	98½	99½	3.53
4	Nov '52	102½	103½	b3.50
3½	Feb. '55	100¼	101½	b3.37
4½	Aug. '59	105½	107½	3.93
4½	Jan. '63	110	112	3.68
Alberta:				
4½	Oct. '51	..	..	d
4½	Oct. '56	77	79	d
4	Dec. '54	75½	77½	d
*5	Oct. '59	78	80½	d
c5½	Apr. '52	79	81	d
6	Mar. '47	79½	81½	d
British Columbia:				
4	Dec. '37	103	...	...
*4½	Jan. '51	111	113	2.74
c4½	Oct. '53	111	113	3.10
c5	Apr. '54	114½	116½	3.27
5½	Feb. '45	104½	105½	3.11
6	Feb. '47	110	111½	3.23
Manitoba:				
c4	Dec. '37	100	102	3.83
c4½	Dec. '36	104	106	3.93
*5	Dec. 39	107	109	4.23
5½	Oct. '55	109	111	4.48
6	Apr. '47	106	108	4.07
Saskatchewan:				
4	Sept. '54	81½	83½	5.95
4	Nov. '60	80	82	5.60
c4½	Oct. '51	92½	94½	5.27
c4½	Mar. '60	87½	89½	5.42
5	Aug. '58	89	91	5.87
5½	Oct. '52	93½	95½	6.11
6	Mar. '52	97	99	6.13

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. δ-Calculated at 1950 average maturity. ▪-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Sept. 15, 1942

Sept. 14, 1942

Industrial	Bid	Ask.
Acme Farm., pf.	47	50
Andian National	26	27½
Anglo C. Tel., A.	6½	7½
B. C. Pulp c.	8½	10
Do., pfd.	58	62
B. C. Sugar	58	61
B. C. Tel. p.	102	..
Brown, com.	1	1½
Do., pfd.	18	21
Burns & Co., A.	4	5
Do., B.	1½	2½
Can. Co-op. Wl.	8	..
Can. Indust. A.	134	138
Can. Airways	1½	1¾
Can. Ing. Rand 0	68	..
Can. Mot. L.A.B.	6	..
Chase, A. W., p.	18	20
Colonial Realty.	2½	..
Colonial Steam.	41½	45
Corr. Pap. Box c	2	3
Do., rgts.	6	9
Dunlop T. p. $25	16½	17½
Easy Wsh. p $10	9½	11
Galt Brass, c.	9	11
Goderich Elev.	7	8
Guard. Realty, p	17	..
Guelph Carp., c.	16	18
Gurney Fdry., p.	1½	1¾
Hayes Steel, c.	11	13
High. Dairy	..	2
Do., pref.	..	48
Inglis, John	4½	6½
Ingram & Bell p	90	..
Kingst. Ship., c.	9	..
Loblaw Inc., c.	12	12½
Minn.&Ont.P. c.	2¾	3½
Moirs, pfd.	18½	21
M'row Screw, p.	100	105
Do., com.	14	16
Morrison Br. un	5	6
Neilson, Wm. p.	101	..

	Bid	Ask.
N. Meth. Ldy. p.	68	..
Ont. Tobacco, p.	18½	20
Prov. Paper, pf.	97½	100
Quinte Milk	2½	3½
Stand. Fuel, p.	51	54
Do., com.	½	1½
Stedman, pf. $50	50	55
Sutton Horsley	½	1
Tor. Carpet, c.	64	..
Do., pfd.	70	73
Un. F. Co-op	3	4
Un. Steel, A pf.	23½	24½
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
British Mtge.	125	130
Brockville Tr.	43	..
Cap. Trust	28	31
Comm. Fin., c.	4½	..
Grey&Br.Tr. $50	43	..
Guaranty Trust	100	103
Guelph & O. $50	50	53
Indust. Mtge.	25	30
Lambton Loan	32	34½
Midland Loan	14	16
Premier Trust	..	32
Sherbrooke Tr.	120	..
Sterling Trust	50	53
Th. Can. Inv. Tr.	1½	1¾
Traders Fin. A c	3	5
Do., A pfd.	46	50
Trusts & Guar.	31½	33
Victoria Trust	66	70
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	355	368
Brit. Amer.	50	51½
Canadian Fire	76	80
Confed. 30% pd.	128	136
Cons. Fire	3½	..
Continental L.	30	35

	Bid	Ask.
Crown Life	260	280
Dominion Fire	138	..
D. of Can. Gen.	114	120
Empire, 25% pd.	4	5
Excelsior 40% pd	68	72
Fed. Fire	52	54
Great-West Life	210	225
Federal, 25% pd	52	54
Halifax Fire	15	16
Imperial Life	260	270
Manufac. Life	212	222
Monarch Life	32	35
National Life	7	10
Sov. L. 25% pd.	12	14
Sun Life	190	210
Tor. General	41	44
Wellington Fire.	58	..
Western Assce.	36	38
Theatre Stocks:		
Allen's, St. Cath. units	52	55
Do., Kingston.	62½	65
Loew's London p	7	..
Mansf. Theat., p	30½	31½
Para. Kitch. p.	49	..
Do., Oshawa c	7	9
Investment Trust Shares:		
Inv. Found. un.	40	43
Sec's. Hold. pf.	19	22
United Corp., A	20½	22
Do., B.	4½	5½
Power Issues:		
Can. W. N. Gas	25	27
Do., pfd.	100	..
Gt. Lakes Pr., p	100	102
Int. Util $1.75 p	8	12
Do., $3.50 p.	24	26½
Mtl. Isl. Pwr. p.	41	..
Nor. Ont. Pr. p.	70	74

Unlisted Mines

Toronto, September 15, 1942

	Bid	Ask
Albany R (old)	.01	.03
(new)	.06	.08
Amal Kir	.03½	.04½
Anoki	.01	.03
Aquarius	..	.12
Arjon	.02	.03
Armistice	.02	.05
Argosy	.03	..
Area	.03	.04½
Arntfield	.00½	.01½
Athona (new)	.00½	.01½
Barb Lard	.01½	.03
Brock	.02½	.03½
Clift Con	.10½	.12
Can Rad	.04	.06
Cent Man	.01½	.02
Cheminis	.02	.03
Clonm P	1.45	1.50
Columb	.21	.23

	Bid	Ask
Cons Chi	.03	.06
Delpine	..	.03½
De Santis (new)	.02½	.04
Dona Pat	.00½	.01½
Eastward	.05	.10
Elmos	.03	.06
Franco	.15	.20
Galore	.00½	.01½
Goodrock	.40	.42
Hayes Ca	.01½	.02½
Hoyle (new)	.04½	.06
Hugh P P	.01½	.03
Kirk Gate	..	.01½
Kir Town	.03½	.05½
Lacoma	.00½	.01
Laguerre	.02½	.05
Low Pete	..	.12
Lk Geneva	..	.08
Magnet C	.20	.25

	Bid	Ask
Pascalis	.08	.11
Pontiac R (old)	.03	..
Pelangio	.00½	.01½
Magnet L	.06	..
Martin B	.02	.03
Mat Can	.02	.04
Mat Cons	.10	.15
McMarm	.05½	..
Moffatt H (new)	.01	.02
Mosher	.05	.07
McManus	.00½	.01½
Nat Mal	.10	.12
Nick Off	1.00	1.30
Norbeau	.16	.20
N Ribago	.00½	.00¾
Numulak	..	.12
Oklend	.02	.03½
O'Lea Mal	.01½	.03
Opemiska	.05	.08

	Bid	Ask
Orpit	.01½	.02½
Polaris	..	.01½
Prop'ary	3.60	4.00
Preston	.01½	.02½
Que Man	.26	.28
Rand Mal	.08	.14
Red L G S	.00½	.02
Ritoria	.01	.02
Rouge	.00½	.02
S.A.G.A.	..	.25
Sach Riv	5.10	5.35
Sheldon	.04	.06
Skynn Lk	..	.01½
Springer	.12½	.14½
Tombill	.10	.13
Stadacona	.06	..
Thom Lk	.07	.08½
Union M	..	.03
Wesley	.00½	.01½
Young D	.17	.20

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 15, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Sept. 15	Asked	Bid Sept. 8
▲Alg. Cen. H.B.R.	5	'59	21	23½	21½
†Assoc. Tel. & T.	5½	'55	68½	71½	68

[illegible]

Silv. Dairies	6	'66	93	96	93
Simpsons, Ltd.	4½	'51	100	102	100
Smith, Howard.	4½	'51	102½	105	102½
Stand. Lime	6	'44	98½	101½	98½
Sterling Coal	6	'45	98	101	98
Stop Shop	3	'47	64½	67½	64½
United Amuse.	5	'56	100	102½	100
United Corp.	5	'53	94½	97½	94
*United Gas	5½	'48	104	107	104
United Gr. Grs.	5	'48	100½	103½	100½
†Western Grain	6	'49	60½	63½	61

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
‡Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Sept. 15, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32½	35½	+½
Atlas Steels, com.	21	22	+1½

[illegible]

Corporation Bonds (Cont'd)

[illegible]

Municipal Bonds

Sept. 15, 1942

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	105.50	108.50	4.34
Hamilton	5	1956	108.00	112.00	3.24
Montreal	5	1945	95.00	98.00	*
Ottawa	4½	1945	104.00	105.50	2.42
†Quebec	5	1959	109.50	110.50	4.14
Saint John	5	1950	105.50	108.50	3.79
†Toronto	4½	1955	110.50	113.50	3.18
†Vancouver	5	1950	96.75	100.75	4.88
Winnipeg	5	1944	100.00	103.00	2.94

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.82	1.99
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	2.90	3.20
Can. Investors	4.25	5.00
Corp. Investors	4.75	5.15
Trans-Canada	8.40	9.25

Annual Meetings

1942	Company	Place
Sept. 23	—Lake Shore Mines ..	Kirkland L.
Sept. 24	—National Steel Car ...	Hamilton
Sept. 25	—Power Corp.	Montreal
Sept. 28	—Kerr Lake Mines	New York
Sept. 28	—Paymaster Consol .	S. Porcupine
Sept. 30	—McColl-Front. Oil	*Montreal
Oct. 14	—South Am. Gold	New York
Oct. 30	—Calgary & Ed.	Winnipeg

*For preference and common shareholders.

Mining Dividends

	Rate	Sept. 14	Yield %
Anglo-Huronian	20c	2.00	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	1.07	14.9
Bayonne	†1c	.03½	..
Beattie Gold	10c	.58	..
Berens River	9c	.50	..
Bralorne	80c+40c	8.15	*19.5
Broulan Porc.	12c	.34	..
Buffalo Ankerite	▲30c	1.16	..
Bulolo Gold	$3	6.75	..
Can. Malartic	8c	.39	..
Cariboo Gold	15c	.85	..
Central Patricia	15c	.68	..
Chesterville	▲15c	.51	..
Cochenour Willans	6c	.55	10.9
Coniagas	10c	.75	..
Coniaurum	‡10c	.50	..
Cons. Smelters	$1+$1.50	34.00	*7.3
Delnite	6c	.52	..
Dome Mines	$1.60	14.50	11
East Malartic	‡5c	1.00	..
Francoeur Gold	▲4c	.20	..
Goldale Mines	2c	.09	..
Gold Belt	2c	.12	..
Grandview	2c	.10½	..
Grull Wihksne	†.00½c	.01¾	..
Halinor	40c	1.70	23.5
Hard Rock	3c	.31	..
Hedley Mascot	8c	.19	..
Hollinger	65c	7.25	8.9
Howey Gold	2c	.14	..
Hudson Bay	$2	22.00	9.1
Inter. Nickel, com.	$2	30.00	6.7
Island Mountain	8c	.85	..
Jason	▲4c	.10	..
Kerr-Addison	‡22c	3.75	..
Kerr Lake	▲5c	.50	..
Kirkland Lake	8c	.42	..
Lamaque Gold	‡30+25c	3.50	..
Lake Shore	80c	7.45	10.7
Leitch	8c	.48¼	16.5
Little Long Lac	‡10c	.65	..
Macassa	32c	1.81	17.6
Madsen R. Lake	3c	.35½	..
Malartic Gold	▲10c	1.22	..
McGillivray Coal	1c	.10¼	..
McKenzie Red L.	12c	.52	23
Moneta	8c	.25	..
McIntyre-Porc.	$2.22+$1.11	40.00	*8.3
MacLeod-Cockshutt	10c	.95	..
Negus	2½c	.30	..
Nipissing	15c	.85	..
Noranda	$4	42.63	9.4
North Empire	‡10c	1.00	..
O'Brien Gold	3c	.50	..
Pamour Porc.	▲12c	.35	..
Pato Cons.	‡25c	2.10	..
Paymaster Cons.	2c	.14½	..
Pend Oreille	▲6c	.90	..
Perron Gold	16c	.68	23.5
Pioneer, B. C.	‡33c	1.14	..
Pickle Crow	30c	1.40	21.4
Placer Develop.	25c	5.00	..
Premier	7½c	.38	19.7
Preston E. Dome	20c	1.45	13.7
Privateer Mines	12c+1c	.26	..
Quebec Gold	▲2c	.20	..
Reno Gold	20c	.06	..
San Antonio	14c+6c	1.42	*14
Sheep Creek	16c+4c	.74½	*26.8
Sherritt Gordon	10c	.58	..
Sigma Mines	60c	4.45	..
Silbak Premier	16c	.60	..
Siscoe	‡5c	.32	..
Sturgeon River	2c	.10½	..
Sudbury Basin	2½c	1.25	..
Sullivan Cons.	‡6c	.53	..
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.30	15.3
Teck-Hughes	40c	1.48	..
Toburn	12c+2c	.48	*27
Upper Canada	‡5½	.62	..
Ventures	20c	3.40	..
Waite Amulet	40c	3.50	..
Wendigo	3c	.14	..
Wright Harg.	40c	1.99	20.1

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	$1.75	Oct. 1	Sept. 15
Asbestos Corp.	20c	Sept. 30	Sept. 1
Do., extra	10c	Sept. 30	Sept. 1
Assoc. Brew.	25c	Sept. 30	Sept. 10
Do., pref.	$1.75	Oct. 1	Sept. 10
Amer. Cyan, A, B	15c	Oct. 1	Sept. 12
Do., pref.	†12½c	Oct. 1	Sept. 12
Brant. Cordage, pf.	32½c	Oct. 15	Sept. 20
Building Prod.	17½c	Oct. 1	Sept. 15
B.C. Power A	50c	Oct. 15	Sept. 30
Bell Telephone	$2	Oct. 15	Sept. 23
B. C. El. Pr. & G., p	$1.50	Oct. 1	Sept. 19
Belding Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Berens River	3c	Sept. 25	Aug. 29
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Bralorne Mines	20+10c	Oct. 15	Sept. 30
Brazilian Tr., pfd.	$1.50	Oct. 1	Sept. 15
Brit. Amer. Oil	25c	Oct. 1	Sept. 10
Burlington Steel	15c	Oct. 1	Sept. 19
Calgary & Edm.	■5c	Oct. 15	Sept. 12
Canadian Car pfd.	43c	Oct. 10	Sept. 21
Can. Malartic G.	2c	Oct. 6	Sept. 15
Cariboo Gold	■3c	Oct. 1	Sept. 4
Crown Trust	$1	Sept. 30	Sept. 23
Can. Canners	12½c	Oct. 1	Sept. 15
Do., 1st pref.	25+5c	Oct. 1	Sept. 15
Do., 2nd pref.	15+5c	Oct. 1	Sept. 15
Can. Gen. Elec.	$2	Oct. 1	Sept. 15
Can. Tube & Stl. p.	$1.75	Oct. 15	Oct. 8
Canada Bread, pfd.	$1.50	Oct. 1	Sept. 15
Do., B pref.	62½c	Oct. 1	Sept. 15
Can. Cottons	$1	Oct. 1	Sept. 5
Do., pref.	$1.50	Oct. 1	Sept. 5
Can. Packers	$1	Oct. 1	Sept. 15
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Central Can. Loan	$2	Oct. 1	Sept. 19
Cent. Pat. Mines	3c	Sept. 30	Sept. 15
Confederation Life	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. For. Invest., pf.	■$2	Oct. 1	Aug. 15
Can. Wire Box	37½c	Oct. 1	Sept. 15
Do., arrears	12½c	Oct. 1	Sept. 15
Can. Gen. Invest.	■12½c	Oct. 15	Sept. 30
Chartered Trust	$1	Oct. 1	Sept. 15
Consumers' Gas	$2	Oct. 1	Sept. 15
Can. Nor. Power	■15c	Oct. 26	Sept. 19
Do., pref.	■$1.75	Oct. 15	Sept. 19
Can. Celanese	25+25c	Sept. 30	Sept. 18
Do., pref.	$1.75	Sept. 30	Sept. 18
Can. Bk. of Comm.	$1.50	Nov. 2	Sept. 30
Com. Alcohols	5c	Oct. 15	Sept. 13
Do., pref.	10c	Oct. 15	Sept. 13
Can. Breweries, p.	85c	Oct. 1	Sept. 15
Canada Dry	†15c	Sept. 22	Sept. 10
Candn. Oil, p.	$2	Oct. 1	Sept. 19
Can. Indus. A, B	$1.50	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Cement, pfd.	$1.25	Sept. 21	Aug. 31
Canada Cycle	30c	Sept. 30	Sept. 15
Do., pref.	$1.25	Sept. 30	Sept. 15
Can. Westinghouse	■50c	Oct. 1	Sept. 16
Celanese of Amer.	†50c	Sept. 30	Sept. 18
Do., 5% pref.	†$1.25	Oct. 1	Sept. 18
Do., pr. pref.	†$1.75	Oct. 1	Sept. 18
Do., 2nd pref.	†$1.75	Oct. 1	Sept. 18
Dominion Bank	$2	Nov. 2	Oct. 15
Dom. Foundries	25c	Oct. 1	Sept. 19
Dom. Glass	■$1.25	Oct. 1	Sept. 15
Do., pref.	■$1.75	Oct. 1	Sept. 15
David & Frere, A	25c	Sept. 30	Sept. 15
Dom. Textile	$1.25	Oct. 1	Sept. 5
Do., pref.	$1.75	Oct. 15	Sept. 15
Dominion Tar, pf.	$1.37½	Nov. 2	Oct. 13
Dome Mines	■40c	Oct. 20	Sept. 30
Distillers Seag., p.	†$1.25	Nov. 2	Oct. 15
Economic Invest.	62½c	Oct. 1	Sept. 21
Eastern Trust	$2	Oct. 1	Sept. 20
Famous Players	25c	Sept. 26	Sept. 19
Fanny Farmer	†37½c	Oct. 1	Sept. 15
Foundation Co.	35c	Oct. 17	Sept. 30
Ford Motor A, B	25c	Sept. 19	Aug. 29
Gt. Lakes Pap. A B p.	25c	Oct. 1	Sep. 19
Gt. W. Sadd., 1st p.	75c	Sept. 30	Sept. 16
Do., 2nd pref.	75c	Sept. 30	Sept. 16
Gatineau Pwr.	15c	Sep. 30	Sep. 1
Do., 5% pref.	$1.25	Oct. 1	Sep. 1
Do., 5½% pref.	$1.37	Oct. 1	Sep. 1
Greening Wire	15c	Oct. 1	Sept. 15
Goodyear Tire	62c	Oct. 1	Sept. 15
Do., pref.	62½c	Oct. 1	Sept. 15
Gt.-West Life	$3.75	Oct. 1	Sept. 19
Goulds Pumps, p.	†$3	Oct. 2	Sept. 21
Gt. Lakes Power, p.	$1.75	Oct. 15	Sept. 30
Huron & E. Mtge.	1%	Oct. 1	Spet. 15
Ham. Cotton	10c	Oct. 1	Sept. 15
Do., pref.	50c	Oct. 1	Sept. 15
Hinde & Dauch	25c	Oct. 1	Sep. 15
Honey Dew	50c	Oct. 1	Sept. 15
Howe Sound	†75c	Sept. 30	Sept. 18
Ham. Un. Theat., p.	$1.25	Sep. 30	Sep. 15
Humberstone Shoe	50c	Oct. 7	Sept. 15
Inter. Nickel, c.	†50c	Sept. 30	Aug. 31
Imp. Tobacco	10c	Sept. 30	Sept. 11
Do., pref.	3%	Sept. 30	Sept. 11
Inter. Paper, pfd.	†$1.25	Sept. 29	Sept. 19
Inter. Power, pfd.	$1.75	Oct. 1	Sept. 15
Do., arrears	$2	Oct. 1	Sept. 15
Imperial Bank	$2	Nov. 2	Sept. 30
Inter. Nickel, pf.	$1.75	Nov. 2	Oct. 3
Inter. Milling, pf.	†$1.25	Oct. 15	Oct. 2
Inter. Paper, pref.	$1.25	Sept. 29	Sept. 19
Invest. Found., pfd.	75c	Oct. 15	Sept. 30
Ham. Pub. Ser.	17c	Oct. 1	Sept. 22
Do., pref.	$1.75	Oct. 1	Sept. 22
Java Cap Gold	†2c	Sept. 30	Sept. 19
Langley's, pfd.	■50c	Dec. 11	Dec. 2
Lamaque Gold	10c	Oct. 1	Sept. 10
Do., bonus	15c	Oct. 1	Sept. 10
Landed Banking	$1	Oct. 1	Sept. 15
Lang, J. A.	17½c	Oct. 1	Sept. 15
Mod. Containers	30c	Oct. 1	Sept. 20
Do., pref.	$1.37½	Oct. 1	Sept. 20
Moneta Porc. M.	2c	Oct. 15	Sept. 30
M. Loew's pfd.	$1.75	Sept. 30	Sept. 15
Mtl. C. & D. Bank	$3	Oct. 1	Sept. 15
Moore Corp.	55½c	Oct. 1	Sept. 10
Do., pref. A, B	†$1.75	Oct. 1	Sept. 10
McColl Fron. p.	$1.50	Oct. 15	Sept. 30
Murphy Paint	20c	Oct. 1	Sept. 19
Do., pref.	$1.37½	Oct. 1	Sept. 19
Mag. W. Weav.	25c	Sept. 30	Sept. 17
National Trust	$2	Oct. 1	Sept. 21
Nat. Grocers, pref.	37c	Oct. 1	Sept. 15
Nor. Ont. Power	12c	Oct. 26	Sept. 30
Do., pref.	$1.50	Oct. 26	Sept. 30
North Star Oil, p.	8¾c	Oct. 1	Sep. 1
Nat. Biscuit C.	†30c	Oct. 15	Sept. [illegible]

Rate Cut Hits Elevators Seen Benefit to Farmers

From Our Own Correspondent

WINNIPEG.—Storage charges in western grain elevators, both country and terminal, have been reduced to one fiftieth of a cent per bushel per day. Up until two years ago the standard rate, for many years, and with only two temporary reductions, had been one thirtieth of a cent per bushel per day. In 1940 a reduction to one forty-fifth was made, and in Pacific Coast elevators to one sixtieth. The latter low rate remains, as grain storage on account of the small quantity moving through western terminals is practically on a "dead storage" basis.

The reduction now made, to be effective as from Aug. 1 this year, is part of the contract arrangements made between the Canadian Wheat Board and the elevator companies which act as agents for the Board in receiving and handling grain. Another part of the contract involves a reduction in the charge made to farmers for handling wheat delivered to the Wheat Board at country elevators to a flat 3 cents a bushel against rates which varied last year from 3½ cents to 5 cents a bushel according to the quantity and grade of wheat handled.

Benefits Farmers

The reduction in handling charges is a direct benefit to farmers who deliver their wheat to the Wheat Board. It does not affect farmers who may sell on the open market, as more than half of western wheat was sold last year. This year, however, it is possible that with the increase in the initial Wheat Board price, practically all western wheat deliveries may go to that body.

The reduction in storage charges does not benefit farmers, but tends rather to reduce the operating costs of the Canadian Wheat Board, and in consequence to benefit the Dominion treasury. Since, however, reduction in elevator companies' receipts, from both handling and storage charges, will reduce the taxable profits of the companies, and consequently the taxes paid, the savings to the Dominion treasury are more apparent than real. Another factor in the situation is that storage charges, to a considerable extent, are absorbed by purchasers of grain, and some of the benefit of the reduction will doubtless go to British, Russian and American purchasers of Canadian wheat and coarse grains.

Affects Elevator Earnings

Reduction in rates will wipe out a considerable part, and possibly most of the increased earnings which elevator companies might have expected for the current year, from the fact that handlings of wheat will be approximately 60 million bushels more than handlings of last year, with a large increase, extent of which cannot yet be calculated, in handlings of coarse grains. At the same time storage facilities of country and terminal elevators are likely to be somewhat more fully employed than during the past crop year. They cannot be completely employed, as delay in harvesting will prevent country elevator space being completely occupied until after two months, and possibly more of the crop year have passed. Once elevators are completely filled it will probably be found that any grain shipped out is promptly replaced by new deliveries by farmers.

Write Off Annexes

During the past two years elevator companies have written off, for taxation purposes, the cost of the temporary annexes built at country elevator points for handling surplus grain, and one half the cost of annexes at terminal elevator points. Relief from a considerable burden of depreciation accounts in part for the ability of the elevator companies to make a contract with the Wheat Board on a considerably lower basis than formerly.

Whether the elevator companies will be able, under the reduced rates, to make as good a financial showing as for the year recently closed will depend principally on the extent of the flow of coarse grains through their elevators, which in turn will depend upon the extent of the available market in the United States.

Better Than Expected

Probably most of the companies were able to make somewhat better earnings for the crop year 1941-42 than had been expected at the beginning of the season. One reason was that total deliveries of wheat by farmers, although only about half of those of the previous year, amounted to 222 million bushels, or some 22 million bushels higher than estimates which prevailed during the greater part of the crop year.

That was because farmers were practically forced, by regulations imposed in connection with an increase in the Wheat Board basic price, to deliver old crop grain before the close of the new crop year. The regulations were made more effective by the prospect of a big crop and of a shortage of elevator space so it was evident that no one could possibly profit by evading them, even if that could be successfully done.

DIVIDEND NOTICES

Imperial Bank of Canada

DIVIDEND NO. 209

Notice is hereby given that a Dividend of two per cent (2%) has been declared for the quarter ending 31st October, 1942, payable at the Head Office and Branches on and after Monday, the 2nd day of November next, to shareholders of record of 30th September, 1942.

By Order of the Board.

H. T. JAFFRAY, General Manager.

Toronto, 9th September, 1942.

Canadian Celanese Limited

1401 McGill College Avenue, MONTREAL, P.Q., CANADA

September 8, 1942.

The Board of Directors has this day declared the following Dividends:

Seven Percent Cumulative Participating Preferred Stock

One Dollar Seventy-five Cents ($1.75) per share, which shall be deemed to be for the three months period from July 1, 1942, to September 30, 1942, payable September 30, 1942, to holders of record at the close of business September 18, 1942.

Common Stock

Twenty-five Cents (25c) per share in respect of the third quarter of 1942; in addition, an extra dividend of Twenty-five Cents (25c) per share, payable September 30, 1942, to holders of record at the close of business September 18, 1942.

H. BLANCKE, Secretary.

BRALORNE MINES LIMITED

(Non-Personal Liability)

DIVIDEND No. 32

NOTICE is hereby given that a Quarterly Dividend of 20 cents per share and an Extra Dividend of 10 cents per share has been declared on the paid-up capital stock of the company, payable on the 15th day of October, 1942, to shareholders of record as of September 30th, 1942.

By order of the Board.

RONALD GRACE, Secretary-Treasurer.

Vancouver, B.C., September 8th, 1942.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Nat. Breweries	50c	Oct. 1	Sept. 10
Do., pre.	44c	Oct. 1	Sept. 10
Nat. Steel Car	50c	Oct. 15	Sept. 30
N.S.L. & Pr ord.	$1.50	Oct. 1	Sept. 15
Ont. Loan & Deb.	$1.25	Oct. 1	Sept. 15
Ottawa Elec Rly.	50c	Oct. 1	Sept. 10
Ottawa L. & Pr.	15c	Oct. 1	Aug. 26
Do., pref.	$1.25	Oct. 1	Aug. 26
Ogilvie Flour, c.	25c	Oct. 1	Sept. 17
Petrol Oil & Gas	2c	Oct. 1	Sept. 15
Perron Gold	4c	Sept. 21	Aug. 29
Para Pictures pf.	†$1.50	Oct. 1	Sept. 17
Do., com.	†25c	Oct. 1	Sept. 15
Paymaster Cons.	■1c	Jan. 15 '43	Dec. 31
Preston E. Dome	5c	Oct. 15	Sept. 24
Price Bros., pref.	$1.37½	Oct. 1	Sept. 19
Page Hersey	$1.25	Oct. 1	Sep. 15
Pioneer Gold	5c	Oct. 1	Aug. 31
Power Corp. pfd.	■$1.50	Oct. 15	Sept. 19
Do., 2nd pref.	■75c	Oct. 15	Sept. 19
Porto Rico Pwr. p.	$1.75	Oct. 1	Sept. 15
Premier Gold	1½c	Oct. 15	Sept. 15
R. Silk Mills A	50c	Oct. 1	Sept. 15
Remington Rand, c.	†20c	Oct. 1	Sept. 10
Do., pfd.	†$1.12½	Oct. 1	Sept. 10
Russell Indust.	20c	Sep. 30	Sep. 15
Do., pref.	$1.75	Sep. 30	Sep. 15
Sachigo R. Ex	‡$5.46	Sept. 28	Sept. 21
Sher.-Williams	15c	Nov. 2	Oct. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Silverwood's	20c	Oct. 1	Sept. 19
Do., pref.	20c	Oct. 1	Sept. 19
Stand. Fuel, p.	$1	Oct. 1	Sep. 15
Sheep Creek	4+1c	Oct. 15	Sept. 30
Stedman Bros.	15+30c	Oct. 1	Sept. 19
Do., pref.	75c	Oct. 1	Sept. 19
Sylvanite Gold	5c	Sept. 30	Aug. 14
So. Amer. Gold	†10c	Sep. 14	Aug. 29
Howard Smith, p.	$1.50	Oct. 15	Sept. 30
Sun Life	$3.25	Oct. 1	Sept. 15
So. Can. Power pf.	$1.50	Oct. 15	Sept. 19
Simon & Sons	15c	Sept. 30	Sept. 16
Do., pref.	$1.75	Sept. 30	Sept. 16
Stand. Radio, A, B	10c	Oct. 10	Sept. 30
Tamblyn G.	20c	Oct. 1	Sept. 15
Do., pref.	62½c	Oct. 1	Sept. 15
Teck Hughes	10c	Oct. 1	Sept. 10
Tor. Gen. Trusts	$1	Oct. 1	Sept. 12
Tip Top Tailors	7½c	Oct. 1	Sept. 19
Do., pref.	$1.75	Oct. 1	Sept. 19
Toronto Mortgage	$1.25	Oct. 1	Sept. 15
United Fuel, pf. A	75c	Oct. 1	Sept. 19
Ventures	■5c	Sept. 25	Aug. 17
Viau, pref.	$1.25	Oct. 1	Sept. 19
Wabasso Cotton	$1	Oct. 1	Sept. 19
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
W. Koot. Pwr., pf.	$1.75	Oct. 1	Sept. 22
Weston, George, c.	20c	Oct. 1	Sep. 12
Wright-Hargreaves	10c	Oct. 1	Aug. 26
Wilsil	25c	Oct. 1	Sept. 15
Do.	25c	Jan. 2	Dec. 15
Willson Stat. pf.	$1.25	Oct. 15	Sept. 30

†Payable in U. S. funds. ‡90c. profit distribution, and approx. $4.56 capital distribution. ■Subject to approval of Foreign Exchange Control Board.

DIVIDEND NOTICES

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 71, quarterly, $1.75 per share, payable October 15th, 1942.

No par value Common Stock

No. 53, quarterly, 15c per share, payable October 26th, 1942, to holders of record at the close of business September 19th, 1942.

L. C. HASKELL, F.C.I.S., Secretary.

August 25th, 1942.

The Dominion Bank

Dividend No. 240

Notice is hereby given that a Dividend of two per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st October, 1942, making a total distribution of nine and one-half per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the second day of November, 1942, to shareholders of record of the 15th October, 1942.

By Order of the Board.

ROBERT RAE, General Manager.

Toronto, 10th September, 1942.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending September 30th, payable October 1st, 1942, to shareholders of record at the close of business September 15th, 1942.

By Order of the Board,

E. W. McNEILL, Secretary.

Dated at Toronto, September 10th, 1942.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

6% First Cumulative Preferred Stock

No. 69, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock (Par Value $50)

No. 61, quarterly, 75c. per share. Payable October 15th, 1942, to holders of record at the close of business September 19th, 1942.

L. C. HASKELL, F.C.I.S., Secretary,

Montreal, August 28th, 1942.

The Wabasso Cotton Company Limited

NOTICE OF DIVIDEND

A quarterly dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of The Wabasso Cotton Company Limited, payable on the 1st October, 1942, to shareholders of record as at close of business on 19th September, 1942.

By Order of the Board,

H. W. CAPEL, Secretary-Treasurer.

Montreal, Que., 10th September, 1942.

THE

Calgary & Edmonton Corporation Limited

Notice is hereby given that a dividend of five cents per share was declared on 27th August, 1942, payable 15th October, 1942, to shareholders of record at the close of business on the 12th day of September, 1942.

Payment of the said dividend has been approved by the Foreign Exchange Control Board.

The Transfer books of the Corporation will be closed from the close of business on the 12th day of September, 1942, to the opening of business on the 23rd day of September, 1942.

By Order of the Board,

C. E. REECE, Secretary.

Dated at Winnipeg, Man., this 8th day of September, 1942.

DIVIDEND NOTICES

Canadian Tube & Steel Products Limited

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) on the 7% Cumulative Preferred Stock of Canadian Tube & Steel Products Limited has been declared payable on the 15th day of October, 1942, to Shareholders of record at the close of business on the 8th day of October, 1942.

By Order of the Board.

P. B. NASH, Secretary.

Montreal, September 14th, 1942.

The Sherwin - Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the one hundred and twenty-fifth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending August 31, 1942, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of September, 1942, and that cheques will be mailed October 1, 1942.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH, Secretary-Treasurer.

Montreal, Quebec, September 3, 1942.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1942

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE, Manager.

3rd September, 1942.

NOTICE OF DIVIDEND

Famous Players Canadian Corporation Limited

NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on all issued common shares of the Company without nominal or par value, payable on Saturday, the 26th day of September, 1942, to shareholders of record Saturday, the 19th day of September, 1942.

By order of the Board.

N. G. BARROW, Secretary.

TORONTO, September 11th, 1942.

Moneta Porcupine Mines Limited

(No Personal Liability)

DIVIDEND NO. 17

NOTICE is hereby given that a dividend of two cents per share has been declared by the Directors of Moneta Porcupine Mines Limited (No Personal Liability) payable in Canadian funds on October 15th, 1942, to Shareholders of record September 30th, 1942.

By order of the Board.

H. B. CLEARIHUE, Secretary-Treasurer.

Toronto, Ontario, [illegible], 1942.

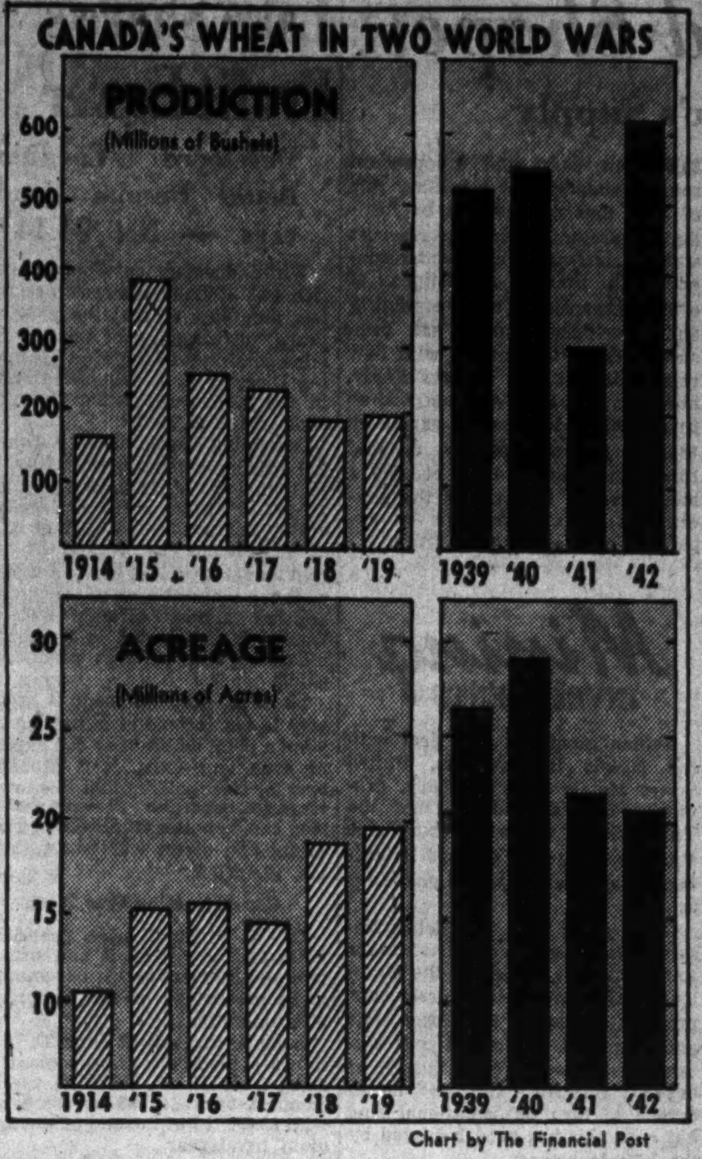

Chart by The Financial Post

There is only one similarity in the story of Canada's wheat in this war and the one of 25 years ago. Perverse Nature has refused to co-operate with man. In 1914-19, with the greatest part of Europe open to our exports, every bushel of wheat that could be grown in Canada was wanted eagerly regardless of price. As a result acreage was doubled between 1914 and 1919 but after one bountiful yield in 1915 crops on the whole were poor and the total volume actually declined.

This war opened with more than two and a half times the acreage of 1914 but with flooded markets and a dull demand. Shortly afterward Hitler's lightning conquest of Europe further restricted outlets. The result was an artificially boosted price and official acreage discouragement. Again, however, Nature refused to co-operate and as the chart shows, while acreage had been reduced by 20% from the peak, a record yield per acre will bring the total volume harvested to the largest in Canada's history.

Wheat Crop Features Size, Even Distribution

Dominion's Estimate Highest Yet Made; Largest Crop in West's History Means No Farmer Assistance Needed

From Our Own Correspondent

WINNIPEG.—The Dominion government estimate of a western wheat crop of 587 million busheds is the highest yet to be published It is practically 50 million bushels higher than an estimate compiled and published only a few days earlier. The Dominion estimate, however, will probably be generally accepted, not only now, but in the future. The opportunity to check it against actual grain deliveries will not occur, because farmers are to be allowed to deliver only 280 million bushels during the crop year.

200 Millions Left

After allowing for seed, and a small quantity for feed, small because farmers have so much other grain they could feed, they will be left with perhaps 200 million bushels more which they would dispose of if possible, but which will have to be retained as farm reserves, or else fed. It will not be possible to make any very close estimate of quantities used for this purpose, and consequently the account of this year's wheat crop will have to be left with a margin of error in the estimates beyond the possibility of elimination.

Even Distribution

Outside of the total size of the crop, the largest in the history of the West both with respect to total yield and yield per acre, the most remarkable feature has been the evenness of distribution of good crops throughout the West, with little variation in per acre yields from one province to another, and with total or partial crop failures unknown except in the limited areas damaged by hail.

The government will have no occasion to pay out money under the Prairie Farm Assistance Act. The collection of 1% of the proceeds of farmers' grain sales, intended to provide a portion of the cost of making grants under the Act, will yield the government this year somewhere between three and four million dollars to be applied against the cost of assistance given in former years.

The Week in Oils

From Our Own Correspondent

CALGARY. — Application of the 40% corporation tax to Alberta oil royalties will reduce distribution to owners of royalties in "trusts" affected by around 15% an analysis by The Financial Post discloses.

The corporation levy, which applies on revenue to certain types of royalty trusts from July 1, 1942, ranges from little or nothing on many trusts to as high as 27% on others.

The tax has so far been calculated on July, 1942, revenue accruing to 47 oil royalty trusts. The pre-tax revenue in these trusts amounted to $174,315. The total corporation tax was determined at $26,144, just under 15%, leaving $148,171 available for distribution to the royalty holders.

• • •

Problems Come Up

When the Dominion government decided to apply the corporation tax (a form of levy which had long been in effect on well drilling companies) to oil royalties, it revised its statutes before problems involved in differentiating various royalties, and in calculating and collecting tax on trusts ruled subject to the tax, were fully realized.

As a result, income tax department officials, trustees and operators have been forced to make a detailed study of the origin of each royalty trust to determine whether or not the corporation tax should apply, and to obtain individual rulings as to what portions of the development costs, etc., could be allowed in determining amortization allowances.

In general, it has been ruled by the tax department that all royalties issued in connection with financing drilling are subject to corporation tax. This includes: net royalties sold to finance drilling; preferred net royalties sold to finance drilling and the residual deferred net royalties in the well; gross royalties sold to finance drilling, and gross royalties which, in some cases, indirectly contributed to the financing of drilling.

• • •

Some "Grosses" Exempt

Not subject to the corporation tax are the original gross royalties in the lease, and gross royalties issued in connection with acquisition or transfer of the lease. Most of the gross royalties now in the hands of the public fall into this category, as do the royalties retained by the government, C. & E., C.P.R. and other mineral right owners.

• • •

Expect Revisions

Rulings have been obtained and taxes calculated on July, 1942, income on the 47 trusts mentioned in this study, but in many cases some revisions (as to development costs, application of tax, etc.) are expected. Rulings are still being worked out on the several trusts likely subject to the tax which are not reported on here.

Wheat Prices

Winnipeg Grain Futures

Week to Sept. 14, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Sept. 14
		Wheat			
.90	.90	Oct. ..	.90	.90	.90
		Oats			
.49⅛	.45½	Oct. ...	.48⅝	.45½	.45½
.46⅞	.45	Dec. ...	.46¾	.45⅝	.45⅝
		Barley			
.61⅝	.60¼	Oct. ...	.61⅝	.60⅝	.60⅝
.61⅛	.60⅛	Dec. ...	.61⅛	.60⅝	.60⅝
		Rye			
.60⅝	.58¾	Oct. ...	.60⅞	.54½	.57¾
[illegible]	[illegible]	Dec. ...	.61⅞	.55¼	[illegible]

Cash Quotations

Wheat	For Week Sept. 14 High	Low	Prev. Week High	Low
1 Nor. ...	.89⅝	.89⅝	.89⅝	.89⅝
2 Nor. ...	.86½	.85⅝	.86⅝	.86¼
3 Nor. ...	.84⅛	.84	.83⅝	.83⅛
4 Nor. ...	.82	.81⅝	.81⅝	.81¾
5 Wheat .	.79	.79	.79	.79
6 Wheat .	.76	.75	.76	.76
Feed	.73	.73	.73	.73
Oats:				
2 C. W. ..	.48⅝	.47	.49	.47⅝
3 C. W. ..	.46¾	.45¼	.47¾	.46⅞
Barley:				
1 Feed ..	.57⅝	.56⅛	.56⅝	.56⅝
2 Feed ..	.56⅛	.55⅝	.55⅝	.55⅛
Rye:				
2 C. W. ...	[illegible]	.55	.58⅝	.58¼

A Pressing Prairie Problem

The Canadian Government asked our prairie farmers to reduce wheat acreage and to increase acreage in coarse grains to produce more bacon and other livestock products. All this our prairie farmers did; but nature, with unexpected bounty, has given us a high yield on the greatly reduced acreage. Our Government, however, has only agreed to buy a part of this present wheat crop, yet our farmers will have to pay out much cash money to thresh, harvest and store all the crop. We courteously suggest, therefore, that the Government should consider purchasing this year, not a part of the farmers' wheat crop, but all of it.

The price being paid today by the Canadian Government is considerably below that being advanced by our Ally — the United States — to its own farmers for all their present large U.S.A. wheat crop.

SEARLE GRAIN COMPANY, LIMITED

WINNIPEG, REGINA, SASKATOON, EDMONTON, CALGARY, FORT WILLIAM, VANCOUVER

TORONTO ELEVATORS LIMITED

Also Owning and Operating the Sarnia Elevator Co. Ltd.

Capacity: Toronto, 4 Million Bushels; Sarnia, 3 Million Bushels

The most modern facilities for the storage and transfer of grains, for grain conditioning, and for the production of MASTER FEEDS for Livestock and Poultry. MASTER FEEDS are endorsed and recommended by leaders in the livestock industry of Canada.

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Head Office: 919 Grain Exchange, Winnipeg

Branch Offices: Toronto and Vancouver

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227 Coal Sheds

Terminal Elevators at Vancouver and Port Arthur (Capacity—9,661,500 Bushels)

Offices: Calgary and Winnipeg

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HEAD OFFICE WINNIPEG

Branches Throughout Canada

Kerr Mine In Good Shape

Broken Ore Alone Nearly Year's Supply

From Our Own Correspondent

LARDER LAKE. — Despite the shortage of labor experienced lately, Kerr-Addison Gold Mines has been able to make fine progress in its development campaign.

Shaft sinking has been completed to 1,200 ft. below the bottom 1,450-ft. level, making eight new levels available for development, and broken ore supply has been increased to 600,000 tons or nearly a year's supply at current milling rate of 2,050 tons daily.

Work now under way is expected to raise broken ore to 800,000 tons by the end of the year. Broken ore reserves are regarded as of more than ordinary significance at this time as they tend to safeguard the continuity of milling operations and profits against a possible acute labor shortage.

Boost Ore Reserves?

At the end of last year the company had sufficient ore on hand for 11 years' milling down to the 1,450-ft. level. Eight new levels below the 1,450-ft. level could give a major addition to ore reserves, it is felt, with just a continuation of current rate of development. Three months more will be required for cutting a sump and loading pockets below the 2,650-ft. level but it appears likely new deep development will get under way before the end of the year.

As reported previously in The Financial Post, diamond drilling has given important ore intersections down to a depth of over 2,000 ft. with an indicated upward trend in average grade. The main No. 21 ore body at around the 2,000-ft. horizon has been drilled for a length of 750 ft. averaging 0.40 oz. or $15.40 across widths of 30 to 65 ft. Chances for good ore showings in the new block of 1,200 ft. to be opened are thus encouraging.

1,450 Develops Well

Work on the bottom level at 1,450 ft. in recent months has disclosed large tonnages of ore in the No. 14, No. 16 and No. 21 ore bodies.

Horizontal drilling to the west of No. 21 ore body at this level for a distance of 250 ft. to the shaft crosscut has returned successive ore intersections in the area south of the main fault. The ore intersections are over widths of 60 ft. with a high frequency of gold values well above the average. On this lowest level comparatively little work has been done west of the shaft in the No. 10 ore area. However, a drift has been carried 360 ft. to the west with drift face and test hole sampling indicating the continuity of the important No. 10 ore body to depth with grade maintained.

Low Cost Producer

With an operating cost of producing gold of $14.61 an ounce in the first half of 1942, Kerr-Addison continues one of the lowest cost gold producers in Canada. Net profit for the first half of 1942 is estimated at close to $1.2 millions or 25 cents a share.

In ordinary times the company would probably expand its mill to 3,000 tons daily and independent sources suggest that a milling rate of 3,500 tons daily would be justified by present proved ore reserves and the state of development reached. With present regulations, of course, expansion is an impossibility and development pace has been slowed down to conform with new regulations. It still appears likely, however, that Kerr-Addison will be in a position to consider expansion as soon as peace returns. At that time, gold mining may become a more favored industry as the government looks around for an expansion of peacetime activities.

Mining INVESTMENTS

Golden Manitou's new deal with the Metals Reserve Co., United States Metals buying agency, provides concrete evidence that the United States wants any extra zinc output we can turn out and is willing to pay relatively high prices for it.

Other deals with the Metals Reserve Co. have been mooted for some time but outside of the Granby and Golden Manitou agreements, progress appears to have been slow and increased production will certainly not be achieved as quickly as hoped. Sherritt Gordon Mines agreed to turn out additional zinc but even this has been hindered by the labor shortage.

• • •

Barron's, U. S. "National Business and Financial Weekly" publication had something favorable to say about Canadian gold stocks this week. Present stock prices are seen as discounting both short-term and long-term unfavorable factors with the present possibly an advantageous time for long-term investors to make new commitments.

"If the fundamental analysis is correct," states the Barron's article, "it would appear that (1) 'for the duration' earnings and dividends of gold mining companies probably will stabilize out only moderately below present levels; (2) that at least the 'gold exchange' standard will be continued in the post-war period; and (3) the price of gold will be maintained if not increased. One can also assume that the industry will recapture only a portion of its pre-war earning power because of a permanently higher level of wages and taxes, and a possibly lower ore recovery."

• • •

International Nickel Co. has been working co-operatively with university heads in carrying out a special programme for university students laid down by the Wartime Bureau of Technical Personnel in Ottawa. Under this programme, many undergraduates from universities in western Canada—students in engineering and other scientific courses—have been supplementing their academic work by practical experience at the Inco plants this summer.

As a result, these university students have received training which will make them valuable in filling gaps in our requirements of engineers and International Nickel has secured some extra help at a time when need for extra men is most urgent.

• • •

Vanadium is a metal used in certain high quality steels of which Canada would like to be able to secure additional supplies. A vanadium discovery in this country would be most welcome.

At present ash residues from oil-burning ships are being collected on both Canadian coasts and their vanadium content is being recovered. The National Research Council, in collaboration with the Metals Controller, has determined that Newfoundland iron ore slag may be a possible source of vanadium and it is hoped that a successful method of extracting the metal from this slag will be developed. There is no assurance of success as yet and prospectors are being advised to keep this mineral in mind during their searches.

Lake Shore's Profit Lower

Developed Condition Better Despite Handicaps — Net $1.14

While development footage carried out at Lake Shore Mines was less than 59% of that the previous year, "developed condition of the mine continues to improve," Managing Director A. L. Blomfield states in the annual report for the year ended June 30, 1942.

Reflecting effects of the Kirkland Lake strike, extending from Nov. 18, 1941, to Feb. 12, 1942, profit of $2,279,231 or $1.14 a share was considerably below the $3,639,317 or $1.82 of the previous year. Noting the current tendency to lose labor, it is stated that a reduced scale of production appears almost certain, but no trouble is anticipated in keeping a moderate and efficient production going.

Since the war has made it necessary to tax income of mines far beyond a point where they can expand or even long exist, it is probably best for stockholders that this lower tonnage condition prevails while men can be better employed at more useful and direct war work, states Mr. Blomfield.

Concentrate on War Work

Dr. W. P. St. Charles, president, notes that war work is now organized and efficient and is becoming a large percentage of the company's total operations.

Balance sheet as at June 30, 1942, shows a moderate improvement in financial position. Working capital amounts to $3,840,999 as compared with $3,696,102 at the end of the previous fiscal year.

Development work has been concentrated on opening up the block of levels at depth down to 6,075 ft. The north and south vein zones have been encountered in crosscuts at the 5,700-ft. level, returning ore values. Main breaks at depth are extending farther to the east partly compensating for the continued tendency toward narrowing of ore widths and more spotted conditions.

Income and Surplus Account
Years Ended June 30

	1942	1941
	$	$
Bullion production ...	6,191,672	9,404,781
Less: Oper. expenses .	2,910,186	4,014,430
Oper. earnings	3,281,486	5,390,351
Add: Non-oper. rev. ..	30,054	24,047
Net earnings	3,311,540	5,414,398
Less: Prov. for taxes ...	813,955	1,566,018
Depreciation	218,354	209,063
Net profit	2,279,231	3,639,317
Less: Dividends	2,200,000	3,700,000
Surplus for year	79,231	*60,683
Add: Prev. surplus ..	2,837,085	3,035,768
Less: Mining shs. w/o	......	138,000
Surplus forward	2,916,316	2,837,085
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$1.14	$1.82
Paid	1.10	1.85
No. of Shs. Outstand.	2,000,000	2,000,000
Working Capital		
	$	$
Current assets	5,017,224	5,686,339
Current liabilities	1,176,225	1,990,237
Working capital	3,840,999	3,696,102

Anglo-Home Oil In Joint Test

The Anglo-Canadian Oil Co. and Home Oil Co. have joined forces to undertake a joint development programme in the Buffalo Coulee area. Location for the initial test has been staked in L.S.D. 16 26-47-7w4, just over 20 miles south and west of Vermilion and about the same distance north of Wainwright. The well, to be drilled with light Diesel rotary by Drilling Contractors, is slated for spudding late this month.

The new programme will follow up knowledge gained at the Altoba No. 2 well, drilled in 1937 quarter of a mile north of the initial Anglo-Home location. Altoba No. 2 was drilled to 2,312 ft., some 62 ft. into the Devonian lime, after drilling several potential oil and gas sands in the Lower Cretaceous. Failure of a cement job forced abandonment of the test, however, and potentialities of the oil and gas zones were never thoroughly tested.

The Anglo-Home programme is being undertaken on the Altoba holdings, under an agreement with this company (a wholly-owned subsidiary of the Canadian Western Natural Gas Co.). From one to three wells are called for under the programme, the number actually drilled depending on results obtained.

Kirkland Lake Opens New High Grade Ore

From Our Own Correspondent

KIRKLAND LAKE.—Ore structures in the southwest sectors of the Kirkland Lake Gold Mining Co. property have been disclosing high grade ore which is expected to be of far-reaching significance to the future of the mine.

Relatively limited development has been carried out in this part of the mine as yet but a vertical section from 4,400 to 5,400 ft. depth with a length of 750 ft. has been disclosed as possessing first class ore-making possibilities. Ore shoots already opened up in this sector are as follows

Level ft.	No. of shoot	Ore length ft.	Ore width ft.	Aver. value uncut $	Aver. value cut $
4,400	4 G W	104	2.1	75.95	51.10
4,400	8 G W	40	1.8	28.35	21.53
4,400	10 E	277	1.2	21.70	10.85
4,900	6 W	131	3.5	66.15	37.98
5,400	4 J W	80	2.0	108.85	80.67
5,400	6 J W	39	0.9	140.87	86.27
5,400	7 J W	149	1.4	51.98	33.95

Immediate future development will be on and above the 4,900-ft. level where the No. 1 winze is bottomed. Consideration is being given to sinking a new winze to make this southwest area more readily available for development and mining on the lower levels.

Drilling Shows Values

Altogether five veins have been opened in the area on the 5,400-ft. level with horizontal drilling to the south returning intersections indicating further recurrence over a north-south distance of 250 to 300 ft. Conditions on the 4,400-ft. level are similar with values occurring between the main break and the south porphyry formation.

Drilling to the north of the "break" on the 5,400-ft. level returned ore intersections at 50 ft. north and for a length of 100 ft. A crosscut drive north disclosed ore structure in fractured lamprophyre with widths of 2 to 3 ft. returning values above mine average. Drift development is being continued.

Mining Concentrates

God's Lake Gold Mines had sufficient ore remaining for eight or nine months operations as at July 1, it is reported. A programme of exploration laid out by Dr. Stanley N. Graham of Queen's University is being carried out but it is pointed out that completion of the programme at the No. 2 shaft areas is contingent on an adequate supply of labor remaining on hand. The outlook in this respect is stated to be not encouraging. Some near ore grade material has been encountered but no ore so far. Diamond drilling of the new chrome find in the Bird River area is to be carried on immediately.

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Lead and zinc deposits of the United States may be exhausted before the end of the war, a Washington dispatch states. Lead deposits will almost certainly be exhausted, it is stated, while if it is a long war, zinc deposits will be exhausted too. Canada is eating rapidly into her reserves of lead and zinc ores but shouldn't be in as bad a position as the U. S. after the war. Lead comes chiefly from the great Sullivan mine of Consolidated Smelters in Canada and reserves of ore are probably still in the neighborhood of 20 years there with development likely to continue to open up new ore. Zinc also comes from the Sullivan ores and from Hudson Bay Mining & Smelting Co. Reserves at Hudson Bay are large—probably close to 15 years requirements—and development shows values extending strongly to depth. Smaller Canadian producers of lead and zinc—which don't produce very much in the aggregate—have much smaller reserves than other companies mentioned.

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Nickel production by the end of the first half of 1942 has reached a peak many times that of 1914, but the estimated deficiency of the United Nations was, on June 30, 1942, still substantial.

• • •

Island Mountain Mines Co. has been hit severely by shortage of labor. Production for August was lowest both in tonnage and value for many years. The labor situation in the West appears acute and many B. C. gold mines have been forced to close down for duration. August production results are as follows:

1942:	Tons milled	Tons daily	Recov. per ton	Total recov.
Aug.	3,534	114	$16.31	$57,655
July	4,763	154	15.23	72,551

• • •

Steep Rock Iron Mines is now sending new data re its application to the S.E.C. for issue of $7½ millions of bonds. This issue is understood to have been underwritten by Cyrus Eaton, Otis & Co., and other financial interests.

• • •

Sturgeon River Gold Mines production has been showing a rising tendency in 1942 even though tonnage milled has been declining. The company is now treating a higher average grade of ore, leaving lower grade for treatment at some later date. Production of $45,278 for July brought output for the first eight months of the year to $371,649 compared with $302,911 the corresponding period of 1941.

Oil Royalties

Producing Wells — Prices and Payments

	Sept. daily allow. bbls.	Aug. daily allow. bbls.	May pay. 1% $	June pay. 1% $	July pay. 1% $	Paid to July 31 1% $	Dealers offering price* $
Ace No. 1 gross	525	543	241.82	241.87	230.24	3,151.23	8,000
Alta. Oil Inc. No. 1 gr. ..	82	80	52.40	48.40	36.40	3,432.00	....
Do., No. 1 net	82	80	42.00	39.60	30.40	3,946.80	1,000
Do., No. 2 gr.	485	522	252.80	234.80	229.60	5,399.20	....
Do., No. 2 net	485	522	231.60	213.60	166.40	5,357.00	5,800
Allied No. 1 pfd.	95	100	42.80	45.84	42.61	618.14	....
Arrow No. 1 net	116	150	78.00	70.00	49.00	†1,334.60	1,800
Do., No. 2 net	186	190	94.00	80.00	64.90	1,282.20	2,400
Atlas No. 1 net pfd.	105	110	35.60	62.40	......	†106.80	1,800
Atlas-Br. D. No. 2 pfd. .	654	676	466.80	416.00	......	†882.80	8,700
D. & D. net pfd.	75	75	36.40	32.40	27.60	1,721.00	....
East Crest No. 5........	130	135	......	69.20	59.20	128.40	
Independent No. 1 p. ..	220	225	148.99	133.92	114.60	1,717.39	2,100
Do., No. 1 gr.	220	225	107.09	97.75	103.42	1,774.32	3,800
Major Oil No. 1 pfd. ...	108	121	77.60	61.60	62.00	504.00	....
Do., No. 1 gr.	108	121	72.40	60.80	59.20	1,374.60	1,500
Do., No. 2 pfd.	578	604	430.40	376.40	284.80	3,732.60	2,200
Do., No. 2 gr.	578	604	331.20	286.40	273.20	4,823.20	6,300
Do., No. 2 dfd.	578	604	.....	.....	.....	......	....
Do., No. 3 net	825	835	534.00	476.80	280.40	4,952.80	6,000
Do., No. 3 gr.	825	835	396.00	373.20	376.00	4,503.60	8,800
Do., No. 4 pfd.	299	268	325.20	292.40	149.20	1,662.00	....
Do., No. 4 gr.	299	268	248.00	218.80	134.80	1,977.60	4,500
Do., No. 7 pfd.	650	649	.....	.....	.....	......	7,700
Do., No. 7 gr.	650	649	.....	.....	161.60	161.60	8,800
Do., No. 8 pfd.	293	...	.....	.....	.....	......	5,300
Do., No. 8 gr.	293	...	.....	.....	.....	......	7,000
Do., No. 9 gr.	427	488	.....	45.20	250.00	295.20	7,500
Do., No. 9 pfd.	427	488	.....	.....	.....	......	5,300
Miracle No. 1 pfd. net ..	415	409	414.82	155.36	152.09	4,199.50	4,400
Do., No. 1 gr.	415	409	296.21	273.68	203.20	4,003.28	....
Do., No. 2 pfd.	304	272	239.30	260.91	146.81	725.71	4,000
Do., No. 2 gr.	304	272	.....	196.94	131.60	328.54	....
Renown No. 1 pfd.	95	100	.....	46.56	38.00	84.56	....
Winalta No. 1 pfd.	81	93	72.00	41.20	35.60	3,335.90	1,000

*Approximately 20% over dealers' bid prices.
†Total to June 30, 1942.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Atlas-Br. D. No. 3 pfd. ..	7,281	*$4,375
Bonaventure pfd.	6,365	3,000
Major Oil No. 6 pfd.	7,077	6,200
Major Oil No. 6 gr.	7,077	7,000
Miracle No. 3 pfd.	5,872	4,800
Miracle No. 3 gr.	5,872	6,400
Northclon. No. 1 pfd.	6,326	4,200
Northclon. No. 1 dfd.	6,326	2,000
Northclon. No. 1 gr.	6,326	6,000
Northend No. 1 pfd.	8,476	4,000
Northend No. 1 dfd.	8,476	1,800
Northend No. 1 gr.	8,476	5,400
Northend No. 2 pfd.	6,450	4,200
Northend No. 2 gr.	6,450	5,300
Northend No. 3 pfd.	9,137	3,000
Northend No. 3 gr.	9,137	6,300
New Ranchmen's pfd. ...	1,475	*3,200
Empire pfd. (Ont.)	....	*1,100
Hi. Test Pete pfd.	....	*3,600
Kinsella Ltd.	....	*2,100

*Bagged price.

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Quebec gold production has been showing a rising tendency in contrast to the declines for most other provinces. This may be due to the fact that Quebec derives a large part of its gold production as a by-product of base metal mining. July production totalled 92,344 ounces of gold compared with 91,745 ounces for July, 1941. Silver production was lower, however, totalling 125,759 ounces compared with 133,361 ounces.

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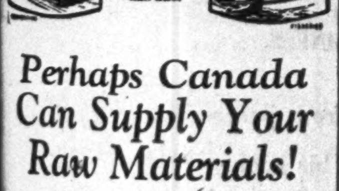

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Golden Manitou to Boost Mill 50%

New Deal With Metals Reserve Gives Bonus Price for Extra Output

By GORDON M. GRANT

With a new contract just completed with the U. S. Metals Reserve Co., Golden Manitou Mines is to proceed immediately with a 50% expansion. This means a lift in mill capacity from 600 tons to 900 tons daily and a more than 50% increase in revenue since the new contract with the Metals Reserve Co. is at a unit price considerably higher than that called for by the original contract.

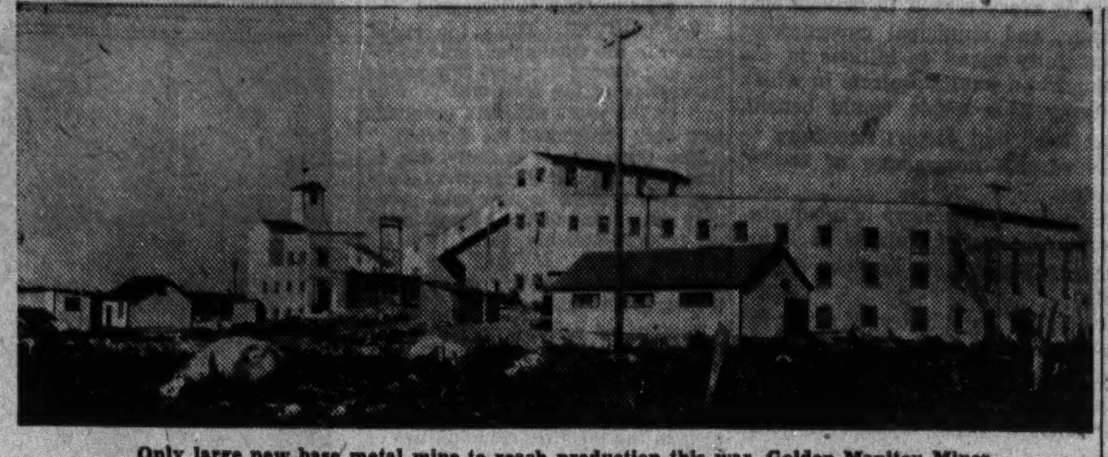
A product of the excess profit tax exemption, to secure increased supplies of war metals, Golden Manitou Mines is setting something of a record in expansion. Production commenced on Aug. 7, and all arrangements for the 50% expansion have now been completed in just over a month's time from the initiation of production.

No Difficulties On Horizon

Consent was secured from the Metals Controller several weeks ago for the higher rate of production and officials anticipate no difficulty in achieving the higher level of output by March 1, 1943, the date called for under the new contract. Hoisting, crushing and grinding units installed all have excess capacity and reaching the higher production rate is only a matter of installing further flotation cells and possibly some extra tankage. If rapid delivery of new equipment cannot be secured, there is stated to be plenty of secondhand equipment available of the type needed at a number of gold mines. Cost of expansion won't exceed $200,000, it is expected.

Premium on Concentrates

Original contract with the Metals Reserve Co. calls for sale of 36,000 tons of concentrates a year for two years grading 55% zinc. Price is $25.50 per ton f.o.b. A premium of approximately $1.50 per ton for each per cent above 55% zinc is included in the original contract so that the present concentrates are worth around $31.00 per ton, as concentrates have been recently grading around 58½%. The new contract is exactly the same as the old one except for the higher unrevealed price and its duration. United States authorities granted the increased price under the policy which calls for a higher price to be paid for any U. S. production over and above that turned out in 1941. In other words, Golden Manitou is being given a bonus for increased production.



Only large new base metal mine to reach production this war, Golden Manitou Mines appears slated for an outstanding war contribution to this country's production of zinc, one of the "tightest" metals in the United Nations' metal picture. Following a 50% expansion, the company is expected to turn out a quantity of zinc equal to approximately an eighth of the Canadian pre-war annual output.

Co-operation of Canadian financial interests, the Dominion Government and Washington metal buying authorities has brought Golden Manitou along to the present stage. Finances for production were provided partly by Toronto financing interests, partly through a Dominion Government-backed bank loan. The U. S. Government Metals Reserve Co. entered the picture to provide the necessary zinc concentrate marketing contracts.

Contracts Expire in 1944

The new contract starts on March 1, 1943, and ends on Sept. 1, 1944, the expiry date of the original contract. The new contract involves an increase of 50% in tonnage of concentrates shipped and in no way affects the original contract.

Officials have been pleased at turning out a 58½% zinc concentrate as compared with the 55% zinc concentrate called for under contract. The base metal recovery circuit can be varied more than that of the average gold mine and tonnage has not been pressed, while the most economic flow sheet has been in process of being determined. It is thought that zinc concentrate of around 60% zinc or better will be turned out.

At Capacity Late In Month

Milling will be stepped up to capacity of 600 tons by Sept. 25, it is stated, with 350 tons of ore a day currently being put through. Ore has been so far chiefly drawn from the development faces and stope preparation, but regular material from stopes started to go to the mill last week.

Golden Manitou is expected to demonstrate what the exemption from excess profits tax can mean to a new base metal producer in spite of the general difficulties facing mining in wartime. Earnings on Golden Manitou shares may run 40 cents a share or higher, it has been estimated unofficially. Looking over the data, there appears to be good ground for thinking this level of earnings will be achieved.

$9-$10 Recovery

Allowing for dilution of ore by waste and taking a seven-to-one concentration ratio instead of the six-to-one expected to prove feasible, a recovery of $9 to $10 a ton does not seem to be out of the way. This recovery allows for considerable loss on gold and silver values although a recovery of 95% of gold and a high percentage of silver is stated likely. Operating costs, including normal development, are estimated at around $4 a ton with an estimated operating profit of $5 to $6 remaining. Taking a seven-to-one concentration ratio, milling rate will likely be in the neighborhood of 1,000 tons a day, possibly higher. At 1,000 tons daily, operating profits per day may thus run $5,000 to $6,000 or at the rate of $1.8 to $2.2 millions annually.

Charges To Be Made

Off the $1.8 to $2.2 millions would come depreciation—to be charged at an accelerated rate since this is a war plant—corporation tax at 18% less a third for depletion, and a charge for deferred development of possibly $1 a ton. The deferred development charge is a book entry which involves no actual cash outlay—the money has been spent in the past—but has the effect of reducing the tax to be paid and recorded net profit. A relatively small charge will be made for bond and bank interest.

Authorized capital of the company is 3.5 million shares of which three million shares are issued. If estimated capacity proves on the conservative side, 40 cents a share earnings could be considered improved upon. Exemption from excess profits tax will last three and a half years. Approximately a fourth of the ore is pyrite and at some future date, considerable revenue may accrue from pyrite sales. Allowance was made for pyrite in designing the mill.

There is a possibility that revenue from gold and silver will cover the company's entire operating charges.

Sinking Shaft Again

Now the path has been cleared for increased production, shaft sinking has been renewed. The shaft was deepened a further level to 620 ft. last fall and will be carried a further 500 ft. this time. Present levels are established at 210, 360 and 510 ft. while further levels are to be established at 660, 810 and 960 ft. depth. It is expected the shaft sinking job will take roughly four months' time. This should see shaft sinking finished well in advance of production at the increased rate.

Substantial development has been completed on both the north and south ore zones at the present bottom level at 510 ft. depth. In starting depth work the management has considerable advance knowledge. While positive ore reserves down to the 375-ft. level were 500,000 tons late last year an additional million tons of ore were indicated by diamond drilling down to a depth of 650 ft. Grade of positive ore was 10% zinc, 0.1 oz. gold, 4.63 oz. silver.

Work on the present bottom level has confirmed the downward continuation of values at that depth with some improvement to the west in the north zone which may be significant. Several stopes have been prepared on the new 510-ft. level as well as the stopes on the two upper horizons.

Labor Supply Adequate

An adequate supply of labor has so far been available, the only difficulty being a high rate of absenteeism.

Golden Manitou acquired its property from Quebec Manitou Mines in October, 1941. Quebec Manitou received 15 million shares for the section of property sold and these shares are to be distributed on the basis of one Golden Manitou share for each two Quebec Manitou shares held. Quebec Manitou, however, will continue its existence as it still holds the eastern half of its original property.

Draper Dobie & Co. and Milner Ross & Co. undertook the financing of the property to production when the Dominion Government agreed to guarantee a bank loan of $375,000. President is H. W. Knight, senior partner of Draper Dobie & Co. with W. B. Milner of Milner, Ross & Co., vice-president. W. R. Askwith and R. W. Brigstocke were added to the board of directors recently.

Concentrates

Amic Syndicate has made a marketing agreement with an American concern which uses mica in the electrical industry, it is stated. Technical and financial assistance may be provided the syndicate by this organization.

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Alberta coal shipments to Ontario showed an increase of 103,072 tons in the six months ended June 30, 1942.

• • •

Berens River Mines produced gold and silver bullion worth $107,914 in August compared with $130,251 in July and $112,635 in August last year. Output for the first eight months of this year amounts to $971,257.

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Bralorne Mines has declared its regular quarterly dividend of 20 cents a share plus the regular extra of 10 cents a share, both payable Oct. 15 to record Sept. 30.

• • •

Dome Mines has apointed a new director, Byron C. Foy. Mr. Foy is vice-president of Chrysler Corp., president of De Soto Motor Corp., and director of numerous other companies.

• • •

Fluorspar for Canada's steel and aluminum producing industries has been imported but a test is now being made on two old properties at Madoc, Ont. This is being done with a view to securing sufficient production from this source to relieve, in large measure, the need for imports required by the Ontario steel mills. The test operation is being conducted by the Department of Mines and Resources in conjunction with the Metals Controller.

• • •

Pinchi Lake mercury mine, controlled by Consolidated Smelters, was producing enough by the middle of 1942 to take care of all Canadian war and essential requirements, leaving a balance over for export to the United States and the United Kingdom.

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Position of Chartered Banks of Canada as of July 31, 1942, Shown by Monthly Returns to Minister of Finance

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NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Government	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere ▲	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	16,843,269	35,965,589	30,459,380	....	363,687,512	414,026,517	98,522,951	3,060,349	7,698,180	10,255,802	....
Nova Scotia	6,402,771	4,696,109	3,487,361	....	82,062,111	152,647,777	58,286,823	2,228,483	1,354,544	1,556,783	....
Toronto	2,539,979	2,713,870	1,813,121	....	60,892,013	93,508,088	1,033,928	124,483	699,974	486,255	....
Provinciale	1,900,190	978,369	357,000	....	13,108,102	42,026,384	7,837	....	....	18,803	....
Commerce	15,095,937	5,733,963	16,511,458	....	253,778,941	321,691,507	74,477,426	1,556,964	3,609,992	5,927,753	....
Royal	21,639,638	5,542,478	24,900,337	....	392,062,643	343,292,686	260,453,053	14,048	2,845,336	12,834,153	....
Dominion	3,134,544	1,200,142	769,947	....	66,081,407	78,642,930	7,267,665	2,218,668	618,181	349,100	....
Nationale	3,223,602	1,778,817	1,673,622	....	48,162,191	106,543,454	463,002	1,290,609	25,534	696,894	....
Imperial	3,474,540	9,121,841	18,834,416	....	65,875,951	95,224,958	2,192,814	1,686,422	1,214,836	852,369	....
Barclays (Canada)	721,670	2,346,726	94,714	....	5,901,637	5,902,175	3,512,346	116,030	2,850,473	619,355	....
Total	74,976,140	70,077,904	98,901,356	....	1,351,612,498	1,653,596,566	506,217,845	12,296,056	20,917,050	33,597,267	....

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized (Supplementary Information)	Capital Subscribed	Last Dividend	†Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
	$	$	$	$	$	$	$	$	%	$	$	$
Montreal	20,328,170	2,392,841	737,775	39,000,000	36,000,000	1,078,978,341	50,000,000	36,000,000	8	240,934	100,476,858	17,131,094
Nova Scotia	23,117,236	207,725	10,450	24,000,000	12,000,000	372,058,179	15,000,000	12,000,000	12	1,953,896	28,887,000	6,494,605
Toronto	3,258,596	....	151,569	10,000,000	6,000,000	183,221,880	10,000,000	6,000,000	10	523,459	19,832,924	2,588,434
Provinciale	54,721	7,070	3,521	1,000,000	4,000,000	63,462,001	5,000,000	4,000,000	6	154,390	5,939,658	1,976,330
Commerce	29,060,864	....	626,344	20,000,000	30,000,000	778,080,246	50,000,000	30,000,000	8	925,542	67,006,531	15,095,937
Royal	31,126,519	1,306,130	755,996	20,000,000	35,000,000	1,151,772,023	50,000,000	35,000,000	8	1,182,506	84,353,812	21,977,332
Dominion	4,191,414	794,161	175,879	7,000,000	7,000,000	179,444,042	10,000,000	7,000,000	10	614,047	17,703,118	3,187,789
Nationale	381,341	49,926	145,722	5,000,000	7,000,000	176,434,718	10,000,000	7,000,000	8	142,987	14,791,460	3,228,272
Imperial	4,787,616	....	178,580	8,000,000	7,000,000	218,444,345	10,000,000	7,000,000	10	516,178	30,847,938	3,476,990
Barclays (Canada)	915,969	11,358	....	750,000	1,500,000	25,332,447	1,500,000	1,500,000	....	10,647	1,452,330	731,120
Total	117,231,446	4,768,211	2,785,835	134,750,000	145,500,000	4,227,228,225	211,500,000	145,500,000	....	6,264,586	361,298,629	75,885,883

▲Of this amount $54,104,924 represents deposits in Canada in currencies other than Canadian. †And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.
	$	$	$	$	$	$	$	$	$
Montreal*	1,466,593	56,960	21,732,858	79,982,793	558,055	769,818	45,402,791	1,038	5,015,540
Nova Scotia	440,695	821,609	7,838,831	20,310,272	148,963	9,370,209	11,113,810	....	10,192,902
Toronto	362,063	....	4,651,311	19,294,431	73,555	104,999	8,176,998	....	452,022
Provinciale	300,493	....	2,283,385	2,719,956	58,620	48,667	2,791,508	....	2,431
Commerce†	1,074,051	207,695	15,541,391	51,973,788	217,087	2,574,013	25,306,143	3,164	5,849,878
Royal	1,709,323	1,698,331	23,947,856	56,682,050	501,708	30,288,475	48,186,227	1,094	18,069,742
Dominion	272,308	198	2,848,065	15,825,707	142,498	136,243	8,149,400	....	1,149,094
Nationale	734,380	....	6,382,764	8,977,128	109,045	87,887	5,614,136	1,210,610	60,030
Imperial	401,574	....	5,449,132	14,808,591	134,865	108,489	9,783,442	660,517	316,181
Barclays (Can.)	7,868	....	112,619	1,065,490	2,378	3,066	250,381	984,440	1,685,538
Total	6,769,343	2,784,790	90,489,102	271,640,204	1,946,768	43,497,855	164,783,831	2,960,863	42,793,348

NAME OF BANK	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada
	$	$	$	$	$	$	$	$	$
Montreal*	22,414,097	272,416,485	227,453,894	14,136,857	48,754,233	21,179,081	1,915,615	17,583,490	210,952,794
Nova Scotia	15,689,139	55,286,979	61,979,291	9,446,329	2,943,620	11,633,821	2,916,307	561,788	102,705,630
Toronto	3,361,977	37,365,190	40,642,565	2,221,373	....	3,480,857	897,404	....	55,598,475
Provinciale	944,773	10,277,488	9,370,731	11,558,565	....	1,273,888	2,942,583	....	14,074,138
Commerce†	23,541,345	132,753,248	157,023,251	7,375,982	29,133,409	11,455,782	6,114,119	14,512,477	216,721,054
Royal	58,071,662	234,201,250	219,875,497	9,047,667	36,961,659	26,602,234	5,054,091	18,415,759	221,130,626
Dominion	5,242,610	30,210,283	33,175,499	1,371,430	444,859	1,292,361	1,215,888	1,836,371	65,907,631
Nationale	1,888,019	35,001,063	18,089,317	16,016,558	17,388	3,461,533	3,128,625	....	50,675,470
Imperial	5,197,207	40,108,712	45,084,413	5,676,708	....	50,272	1,808,927	....	75,404,069
Barclays (Can.)	4,009,839	4,657,078	7,223,320	1,000	25,000	....	163,100	....	3,488,136
Total	141,224,668	852,465,876	820,807,778	78,847,460	118,280,228	80,435,829	26,151,749	52,899,885	1,016,658,023

NAME OF BANK	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets ▲
	$	$	$	$	$	$	$	$	$	$
Montreal*	21,721,016	810,340	28,725,708	524,033	367,996	456,699	13,900,000	905,058	1,627,114	1,081,159,336
Nova Scotia	16,098,048	108,181	2,225,182	381,741	....	78,344	5,736,080	338,298	2,368,723	373,310,930
Toronto	....	....	2,911,366	22,585	....	9,680	3,094,906	172,958	....	186,162,112
Provinciale	....	43,990	2,156,229	66,270	400,429	257,942	2,070,043	106,971	55,802	63,884,629
Commerce†	17,362,400	447,845	11,152,660	1,064,402	2,194,458	911,367	13,967,011	800,000	4,493,521	782,841,482
Royal	71,218,166	851,414	17,127,088	1,877,132	1,481,202	878,730	14,164,592	1,110,000	3,911,008	1,154,981,098
Dominion	359,628	646,586	178,634	151,579	21,034	27,298	5,380,417	181,422	294,146	180,252,615
Nationale	....	333,502	7,649,578	153,756	1,307,960	686,724	4,771,194	178,837	191,908	177,399,449
Imperial	....	384,104	3,493,890	184,008	11,882	178,273	5,627,029	191,878	....	219,797,490
Barclays (Can.)	....	....	....	3,041	....	....	730,834	31,690	....	25,363,474
Total	126,759,258	3,716,162	75,630,307	4,128,547	5,934,661	3,481,947	69,431,906	4,016,842	12,872,217	4,245,752,615

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement:—Footnote to Canadian Bank of Commerce return.

▲Total assets include $117,231,446 letters of credit outstanding as shown in liabilities.

An Industry Plots Its Future

(Continued from page 9)

increase is in line with the previous statement concerning the increased facilities of the industrial plant constructed during the war which, since it provides the means for obtaining full employment, should be regarded as an asset.

The importance of capital formation for employment is clear from the experience of the past two decades. During the 1920's capital formation was about 21% of national output and employment was within 3% of the available labor force. During the 1930's capital formation in most years was considerably below 20% of national output and many workers were looking for jobs. The conclusion is obvious. High capital formation and a high level of employment go hand in hand. Capital employs skilled labor such as toolmakers, mechanics, and construction men. If these men are out of work, other employees in non-durable goods industries are automatically also looking for jobs.

Backlog Needed

In order to realize a large volume of capital expenditures, there must be a large reserve of worthwhile projects in which funds can be invested. Industrial research is now carried on by all leading companies and is one of the principal sources of new projects in which such funds can be invested. But corporation officials are obligated to use such funds profitably. They must give careful consideration to external factors as well as to the existence of such projects. Profit calculations can be greatly upset by sudden changes in fiscal, monetary, or labor policies.

In general, the record shows the businessmen have been willing to take reasonable chances if cost, taxes, and the continued availability of borrowed money can be relied upon. This does not mean that labor rates or taxes are expected to remain static, but there must be confidence that such changes will be gradual enough so that business can successfully adapt its operations to the changes.

One great difference between business conditions in the 1920's and the 1930's, so far as the businessman was concerned, was that in the one case fiscal, monetary, and labor policies were reasonably stable, while in the other they were subject to rapid changes. The importance of consistency in these external factors is probably self-evident, and it would appear therefore that labor leaders, bankers, and legislators can make a substantial contribution to postwar planning by carefully examining and then implementing the conditions which make for business stability.

On the assumption that such stability can be obtained, what evidence is there that private producers should invest $11,500,000,000 in one year on plant and equipment? In 1929, by spending over $10 billions on plant and equipment, private producers helped to maintain the employment of 48 million people. There seems little doubt that in the year "V plus 2" private producers will need to invest $11,500,000,000 on plant and equipment in order to realize an employment of 57 or 58 million people.

If the year "V plus 2" is a year of expanding business, past records indicate that about $1,500 millions will be invested in inventory expansion in the normal course of business.

Economists most familiar with the construction field agree that the United States will need to build between 1.2 and 1.5 million new homes each year to reduce existing obsolescence, and to supply homes for the new families in the home-buying age groups in years from 1945 to 1950. If these are estimated as costing an average of $4,000 to $5,000 each, an admittedly low figure compared with the past, a total residential construction volume of $6 billions is entirely within reason.

But it is to be remembered that houses are built when people are willing to assume long-term debts. People cannot borrow from banks when they are unemployed; nor can insurance companies and other financial agencies justify the expenditure of policyholders' money on housing developments unless there are people with jobs to work at who can pay rent for the space that is to be occupied. These considerations again emphasize the great importance of stability in fiscal, monetary, and labor policies.

The fourth item of capital formation is public works. These expenditures were larger in the 1930's than in the 1920's, but in spite of the large expenditures of public money they were insufficient to absorb the skilled men who were unemployed. It was common experience that government could could not make plans fast enough to put into effect all the worthwhile projects which were found to exist.

With a well-planned programme of public works there is every reason to believe that Federal, state, and municipal governments could successfully spend $4 billions in the year "V plus 2" on public projects in which the community as a whole would benefit.

The most important factors necessary to the success of this programme of capital formation are:

1. Development by industry of adequate plans for converting war plants back to peacetime production with as little delay as possible.
2. Development by industry of plans to utilize new materials, new processes, and new products created during the war.
3. Development by industry, in co-operation with labor, financial, and government agencies, of conditions favorable to investment after the war so that industry will be induced to make its full contribution to capital formation.
4. Development by banks, insurance companies, and Federal, state, and local government agencies, of a balanced programme for expanding residential and public works construction.
5. Development by those industries especially interested, and by the Federal Government, of a long-term programme of investment in undeveloped foreign countries.

Two general statements of bearing upon such a programme may be made. First, America can produce. It is being proved every day through the setting of higher and higher production records. Second, America's needs have never yet been satisfied. How many American families are there who are in a position to have all the things that they need?

Common sense dictates that it should be possible to effect a union between ability to produce and ability to consume; but that union will not be easy.

Full employment and full enjoyment of America's heritage will come about only through the formation of a new partnership of management, labor, capital, and government, a running team in which each partner thoroughly understands his own function and directs his energies wholeheartedly to one end. That end is a constantly rising standard of living for all people.

Okanagan Faces Harvest Problem

Labor Shortage Affects Harvest Prospects — A Few Japs Employed

From Our Own Correspondent

VANCOUVER.—This is the crucial season in the Okanagan apple country, and during the next few weeks harvesting of the crop will provide one of the most difficult problems that ever confronted the district.

The difficulty is entirely due to labor shortage. If the growers manage to overcome it they will probably gather one of the biggest crops on record—possibly more than 6.5 million boxes. If they fail, the whole Okanagan valley will receive a serious setback.

Drained of a large percentage of its manpower by enlistments and war industries, the Okanagan has had only greatly depleted labor reserves to fall back upon. Half holidays in the business communities of centres such as Vernon, Kelowna and Penticton are expected to release several hundred men and women for harvest work, and in addition there will be high school children, Doukhobors and a few Japanese, the Okanagan having modified its earlier attitude of opposition to Japanese entry into the valley. The Japanese who will work in the orchards will be under strict supervision and will remain in the Okanagan only until the picking season is ended.

Indications are that the domestic market will absorb more apples than usual from the 1942 crop, and this will be necessary inasmuch as overseas shipments will be negligible this year. Last year Britain entered the market at the eleventh hour and took 1.5 million boxes of fresh apples, but no such bid is expected now owing to the scarcity of ships.

Associated Tel. Income Higher

Results for First Half of 1942 $115,000 Ahead of a Year Ago

From Our Own Correspondent

MONTREAL. — Associated Telephone & Telegraph Co.'s gross revenue for the six months ended June 30 last, amounted to $545,152. This contrasted with $431,764 for the like period of 1941. As operating expenses and taxes were practically unchanged, there was an increase in net income which was $109,228, compared with a net loss of $5,922 for the first half of 1941.

After provision for interest charges, net profits on the combined 7% and $6 first preferred stock totalled $1.46 a share, as against a deficit of seven cents a share a year ago.

No dividend on the first preferred shares has been paid since Nov. 1941, since it is the opinion of the board that no further dividend action should be taken until cash necessities, charge-offs, and other important factors have been defined and provided for. June 30 accumulated dividends in arrears of the 7% first preferred stock amounted to $61.46 a share, and on the $6 first preferred stock, $52.68 a share.

Borrowings of Toronto Stock Exchange members as at the end of Aug., 1942 totalled $6.8 millions, a decrease of $659,476 from July and $2 millions lower than Aug., 1941. At the same time, quoted market value of all listed stocks as at Aug. 31, 1942, totalled $3,233.3 million, a decrease of $6.7 millions from July 31. Ratio of borrowings to quoted market values amounted to .22 of 1% as compared with .23 of 1% at the end of July and .24 of 1% in Aug., 1941.

... and face the facts NOW!"

Sure the war costs money. Paying for it will be tough in the months ahead. Let's accept that fact — and face it. Now is the time to sharpen our pencils and figure what our taxes actually are ... how we are going to pay them ... and how we can adjust our living habits to get along on what's left. This is a job for every patriotic Canadian ... a job that must be done *now*.

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THE ROYAL BANK OF CANADA

Heavy Salmon Catches Fail to Reverse Trend

From Our Own Correspondent

VANCOUVER.—After a long and anxious wait by British Columbia fish packers, the sockeye salmon have made a rush towards the Fraser River and spectacular catches have been made by seiners and gillnetters.

The past week has been notable for the huge individual catches. One boat, for instance, hauled in 15,000 sockeye in a day representing $15,000 to be divided among members of the crew after provision was made for fuel, food and boat expenses. Fishermen have been making money faster than ever before in their lives, and some Indians, making the most of the opportunity presented by the evacuation of Japanese from the coast, have found the sudden wealth almost too much for them.

But while newspapers have headlined the tremendous individual harvests, the over-all pack appears barely normal and certainly not nearly as great as last year, which was a big cycle season.

Representatives of B. C. Packers, Ltd., state that the industry will be fortunate if it packs 1.6 million cases this year, compared with 2.2 millions last year. However, if it does that well it will be able to ship as much salmon to the United Kingdom as in 1941, because this year the entire canned salmon pack is earmarked for overseas and none of it will be available for the domestic market.

Most of the heavy catches have been made in the Fraser River sockeye area. The northern areas have hardly been heard from and the harvest has been light in many sections; so light, in fact, that several canneries have been virtually idle.

Jam the Canneries

The sudden pack load resulting from the big catches during the past week compelled the government to close the area to fishing for 24 hours to enable the Fraser River canneries to relieve congestion, but packing is reported well in hand.

This is the first season in 40 years that the Fraser River fishery has been operated without Japanese. There was a time when Japanese virtually dominated the industry, so far as actual fishing was concerned, although they were never an important influence in packing, except as paid employees of the canneries.

The industry has so far got along very well without the Japanese. The 1,200 vessels comprising the Japanese fishing fleet were disposed of to various white and Indian operators and the general result has been quite satisfactory—so satisfactory, indeed, that in some quarters there is a strong agitation to keep the Japanese out of the industry for good.

Make It Permanent

The Vancouver Sun states editorially: "More than 40 years ago the Japanese stole the sockeye fisheries from the whites. Yesterday the market was willing to pay a dollar each for these splendid fish. In 1900 the ruling price was 10 cents. When white fisherman sought to obtain an increase of 12 cents the Japanese broke the strike, manned the boats, delivered their catch to the canneries; they seized the producing end of the industry and during all the intervening seasons until this war the Japanese kept on shouldering out whites and Indians.

"Today the industry hopes the tricky yellow men are out for good.

"Certain facts have come to light which show how these Japanese fishery people have played us for suckers. During the last few years the good old Fraser sockeye has furnished important cash contributions to help Japan in her war against China. The last fishing season here was only five months before Pearl Harbor. It is a matter of official record that twice as many dollars, in millions, were transmitted from Stevenson (Japanese community at the mouth of the Fraser) to Tokyo during the last half of 1941 than in any previous year. It is difficult to avoid the conclusion that some sinister intention was being pursued at our expense in this part of Canada."

Labor Supply Hits Dominion Coal Co.

From Our Own Correspondent

MONTREAL.—Shortage of miners has caused Dominion Coal Co. to suspend development work in a new mine opened up off No. 1 B. Colliery at Glace Bay.

During the past couple of months production at the company's Cape Breton mines has fallen off appreciably, due, it is said, mainly to loss of employees to other occupations and enlistment.

B. C.'s Basic Industries Hit by Labor Shortage

From Our Own Correspondent

VANCOUVER. — So great has been the diversion of labor from the great basic industries of British Columbia, such as mining and lumbering, that some anxiety is being felt as to whether the present wartime shortages will not result in retardation likely to last for many years.

"The shipyards and aircraft factories are important and they must have men," declared one prominent Vancouver industrialist, "but their manpower has been built up largely at the expense of industries no less important in the war effort and industries of far greater permanent value to British Columbia. If mining and lumbering are to be weakened now to the point of serious curtailment it will take many years to restore their vitality."

The Ottawa orders classifying lumbering as "essential," granting permission to increase some lumber prices and suggesting means of adding to the industry's labor supply, are regarded hopefully but not with a great deal of confidence by coast operators who claim that vigorous steps to halt the shift of labor from the woods camps to the shipyards should have been taken long ago.

But the mining men have had no encouragement whatever from Ottawa except vague assurances that their case is being studied. The gold mines have been hard hit by the restrictions on hiring of new men; in fact, mining men here claim that British Columbia has been discriminated against in this particular. By closing the door on new employment in the gold mines the government expected to release more men for the copper mines and other mines but this result has not been attained because the men have sought the higher wages offered in coast war plants. Britannia, once the largest copper mine in the Empire, is now operating with about half its normal crew. Coal mines are also hard pressed for men.

Casualties among the gold mines have already been numerous in B. C. The management of Pioneer, one of the largest producers in the province, denies reports that a shutdown is contemplated, but admits that the crew has been reduced 50%. All the Zeballos mines except Privateer have shut down, and so have Reno, Big Missouri, Bayonne, Polaris Taku and the Bullion hydraulic operation.

It is estimated that shutdowns already announced will slice about one fifth from B. C.'s gold production this year.

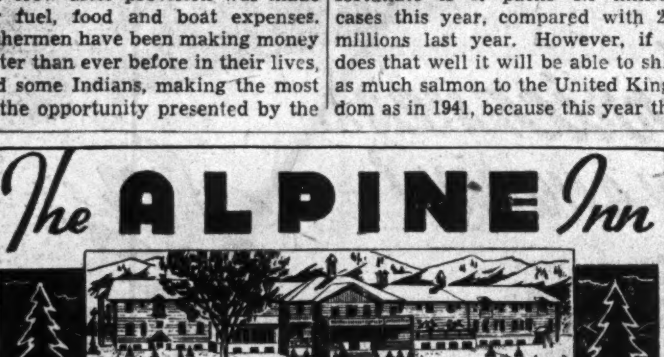
Maritime Tel. & Tel. Maintains Record Pace

From Our Own Correspondent

MONTREAL.—There has been no letup in the demand for services provided by the Maritime Telegraph & Telephone Co. Completed long distance calls handled in July numbered 192,481, an increase of 12,530 over the same month last year.

At the end of July the company had 54,549 stations installed. This represented a net gain of 356 during the month and 3,115 since the beginning of the year.

The ALPINE *Inn*



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EVERY businessman faced with the problem of making the transition from peacetime to wartime effort will be interested in reading Report No. 129. This report, which deals with the techniques of the modern profession of business engineering and the role it is playing in the industrial war effort, was recently published in Canadian Business under the title "What is Business Engineering?" Additional bulletins in this group deal with a variety of business problems and though they may not relate directly to your own business you will nevertheless find that they contain many helpful ideas. You are invited to send for as many of these reports as you desire. A list of previously published reports is also available free of charge upon request.

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